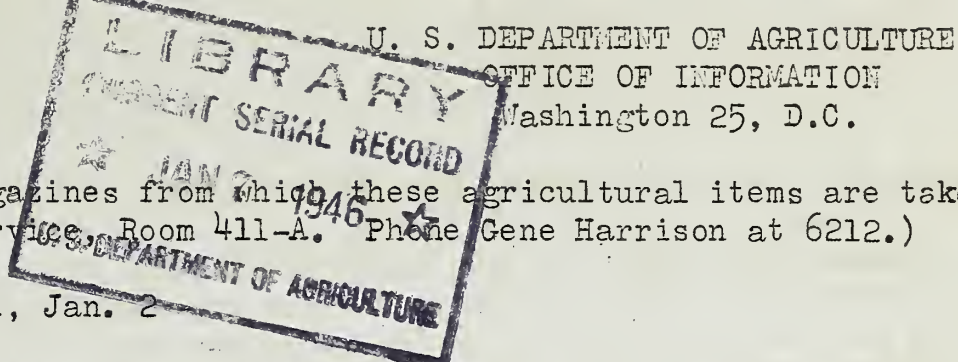


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(The newspapers and magazines from which these agricultural items are taken are on file in the Press Service, Room 411-A. Phone Gene Harrison at 6212.)

From the Wall Street Journal, Jan. 2

(Wall Street Journal Industrial Forecast)--Farm Equipment--The farm equipment industry has had to lower its sights for 1946. Between V-E and V-J days, the industry shaped plans for a record volume of farm equipment in 1946. Now major firms are hoping to equal 1945 output of farm equipment which was considerably under 1941's record high.

Four factors have been responsible for reducing estimates of 1946 production:

1. Labor shortages.
2. Material shortages.
3. Strikes in suppliers' plants.
4. Strikes in farm equipment plants.

Demand for farm equipment is large. It will take the industry several years to catch up.

Over-all dollar sales of the industry for 1946 will show a marked decline from 1945, probably 25% or 30%, reflecting the end of war production.

Equipment makers have many new products about ready for the market. In tractors, which normally account for about half the industry's sales, manufacturers plan new machines, both smaller and larger ones than ever before. Some firms are engineering complete new lines of tractors, but these won't appear before late 1946 at the earliest--probably not until 1947.

Cotton pickers, sugar beet diggers and other specialized harvesting machines have greatly improved in the past few years. One company has a new corn picker that shreds the stalk, mulching the corn field and killing corn borers. A new plow made to be pulled by an ordinary tractor, works the ground much deeper than conventional plows. Meat Packers--The meat packing industry's sales are likely to increase in 1946. They reached a wartime high in 1944, but dropped off in 1945 as the supply of livestock shrank.

Sales of the four largest packing companies, a rough guide to the entire industry, aggregated \$4 billion in 1944. They had increased every year since 1939 when they totaled \$1.9 billion.

In 1946, there will probably be a substantial rise in pork production and a moderate increase in beef output. Veal, on the other hand, will likely show a slight decline. Output of lamb and mutton will be off substantially from 1945. The net result will be an increase of about 2.6% in the country's meat production over 1945's 22.9 billion pounds. Food Industry--Civilian demand for food in 1946 is expected to exceed any peacetime year in history, and the industry anticipates enough supplies to give each person in the U. S. 11% more food than he averaged in five years just before the war.

In spite of the huge production, however, some foods will be short until mid-summer, at least. After that, only sugar and some fats and oils are expected to be scarce. The industry estimates that meat supplies may average 145 to 155 pounds per capita until the seasonal increase in the fall. Poultry supply should be greater than this year, as a result of cutbacks in military orders. The egg supply should be greater than this year, as a result of cutbacks in military orders. The egg supply, experts predict, will be sufficient to meet demand at substantially lower prices.

Military requirements for food in 1946 will drop, according to predictions, at least 25% to 33% from 1945 levels. Exports will run 3% to 10% of total output.

Food firms will devote more attention to research than ever before. More new laboratories are planned. One company--General Foods Corp.--has indicated, however that it has more than 20 new products ready to introduce.

(Turn to page 2 for other items
in today's Wall Street Journal.)

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From the Wall Street Journal, Jan. 2 (Cont.) -

INFLATIONARY TREND IN FARM LAND PRICES--The inflationary trend in land prices threatens all agricultural plans for post-war stabilization, according to E. W. Duggan, governor of the Farm Credit Administration here.

"Bigger mortgages and continued land prices increases," he pointed out, "indicate that we are following the same dangerous path that led to disaster after World War I. Should a great drop in prices occur, those who have assumed larger mortgages, based on today's high land values, will find themselves with more debt than they can repay from the farm's normal earning capacity."

The dollar volume of farm mortgage recordings for the third quarter of 1945 increased 8% over the 1944 period. Land prices continued an upward trend during the period covered by the F.C.A. report. There is little evidence of any tendency for farm land prices to level off, Mr. Duggan said, pointing out that the increase had average 1% a month for the last five years.

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PORK OUTPUT RISES--Production of pork and lamb in federally inspected meat packing plants in December showed increases of 25% and 7%, respectively. Total production of all meats, excluding lard, for the month just closed was about the same as last month. Lard production this month showed a 22% increase over Nov.

Marketings of hogs, and sheep and lambs for December showed increases of 24% and 4%, respectively, compared with November. Marketings of cattle and calves for December fell off 18% and 30%, respectively, from November.

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RYE FUTURES STRONG--Rye prices were strong Monday on buying which accompanied news of sale of United States rye to England. Rye advanced fractions to 5 cents a bushel at Winnipeg. Other grains closed fractions on either side of the previous close.

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LIVESTOCK MARKETS--Trade was fairly active for choice steers Monday and prices held steady but other grades ranged from unevenly weak to off as much as 50 cents.

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From the New York Herald Tribune, Jan. 2 -

END OF 'UNWISE' CONTROL OVER FOOD IS ADVOCATED--A demand that the government in 1946 remove "unwise" controls over the food business so that it can again function as a "great free industry" was voiced tonight by Representative Thomas A. Jenkins, of Ohio, chairman of a Republican food study committee.

In a speech prepared for broadcast over the Columbia Broadcasting System he cited the butter situation as an example of unwise regulation.

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From the New York Journal of Commerce, January 2 -

BOSTON COTTON YARNS INACTIVE, Boston - The Christmas shutdown period added quietude to a market already dull and slow moving. Traders in the cotton yarn market are much concerned over their inability to find supplies. Some are hoping to see a marked change for the better in 1946, but while spinners hold huge backlogs of orders on their books, there seems but little hope of obtaining supplies. Spinners are reported as either being sold up through the end of the first quarter or retaining yarns until a new OPA price appears.

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SPOT COTTON DULL IN HOLIDAY MARKET, Houston - Spot cotton trading during the past week was featured by the usual holiday and year-end dullness. Relatively few transactions in spots were made. Nevertheless, there continued a fairly strong demand from shippers from certain qualities of cotton. There was a good inquiry for middling irrigated cotton and there continued to be an appreciable interest in certain grades of rain-grown as, for instance, medium grades in 1 1/16 inch staple cotton and fully middling and strict middling in 16/16 inch and longer.

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WOOL GOODS RATINGS - Continuation by CPA of the CC rating system for chaneling wool goods in first quarter, announced at this late date, is seen as causing cancellation of many orders, reshuffling of accounts and further delays in deliveries, since mills have already put into process the bulk of goods that will be delivered in first three months. Wool Industry Advisory Committee proposal which CPA apparently has rejected, is viewed as more realistic approach to problem.

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HEAVY REFINED DEMAND FORESEEN - As consumer stamp No. 39 becomes valied with the sart of the New Year, the demand for refined sugar over the next few weeks may be expected to reach abnormal peaks. With household supplies low in the East there is not likely to be enough sugar to meet the demand. This situation will get worse before it starts to improve late in February and early March when new crop supplies from off-shore areas begin to reach here.

In all other sections of the country which will be supplied to a large extent b beet sugar, the situation will be far more favorable. About 900,000 tons of beet sugar are on hand to start 1946 marketings...

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FOOD LABELING - Safeway Stores, Inc., announces new policy to cover labeling of sponsored brands, emphasizing need for full information to guide consumer in purchases of packaged processed foods.

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From the New York Journal of Commerce, January 2 -

OTHER MARKETS - New rice set-asides now effective....Snags develop in olive oil, seed oil, exchange negotiations....Hog demand active.....Flour activity limited, with no concentrated buying anticipated....Heavy turkeys about steady.... Continued firmness in apples...Most vegetables weak and lower....Butter volume at low ebb...Egg buyers withdraw awaiting ceiling drop....Cheese ceiling rise to compensate for loss of subsidy.

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From the New York Times, January 2 -

CITRUS FRUIT CEILINGS, Washington - Ceiling prices on fresh citrus fruits "undoubtedly will be restored this week, probably Thursday," an Office of Price Administration spokesman said tonight.

Stabilization Administrator John C. Collet, the spokesman said, had given "verbal authority" to OPA to re-establish ceilings on oranges, grapefruit, tangerines, lemons and limes.

It was estimated that control machinery could not be put in motion to restore ceilings before Thursday owing to the New Year's holiday.....

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STATE MILK SHORTAGE PREDICTED, Ithaca - A milk shortage next fall within the New York metropolitan market is foreseen by a Cornell University expert. Prof. L. C. Cunningham of Cornell's Agricultural Economics Department said today in a statement that at least 10 per cent more milk supplies will be needed if the use of fluid milk increases as it has this year.

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DROP OF A BILLION IN FOOD SALES SEEN - Retail sales of grocery and food stores in 1946 will probably decline \$1,000,000,000 under the estimated \$18,000,000,000 in 1945 if food prices drop by about 5 per cent as anticipated by the Department of Agriculture, Paul S. Willis, president of the Grocery Manufacturers of America, Inc., said yesterday in a year-end statement. Grocery manufacturers in 1945 received roughly \$14,000,000,000, according to estimates and Mr. Willis predicts that this figure will also drop \$1,000,000,000 if the anticipated price decline develops....

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FARM REVOLUTION MAKING WITH NEW MECHANIZATION, BETTER SUPPLIES - A revolution is taking place in agriculture. Involving the greater use of machinery, the better application of chemical fertilizers and improved strains of seed, the yield per acre and also the quality of crops are increasing steadily and the number of man-hours required in the operation is declining rapidly.

The changes that are in progress in agriculture may prove to be as important as that of the industrial revolution that got under way late in the eighteenth century. In that the revolutionary developments in agriculture are expected to proceed at a more rapid rate, the effect on the social and economic life of the nation may be more abrupt....

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(The newspapers and magazines from which these agricultural items are taken are on file in the Press Service, Room 411-A. Phone Gene Harrison at 6212.)

From The New York Times, Jan. 3 -

200,000 IN MEAT PLANTS TO STRIKE ON 16TH--A country wide strike of 200,000 CIO Packinghouse Workers on Jan. 16 was announced today by Lewis J. Clark, president of the union, in support of its demand for a 25-cent-an-hour wage increase.

Industry spokesmen said at once that if the walkout occurred it would almost immediately curtail the production of 100,000,000 pounds a meat a day. They said that because of the present huge demands for meat stocks were at their lowest point.

Even if the union allowed the stocks to be moved during the strike, they added, there would be enough to last only five days at the present rate of consumption.

CEILINGS ON FRUIT RETURN TOMORROW--Ceiling prices for fresh citrus fruits will be reimposed at 12:01 a.m. Friday, the Office of Price Administration announced today.

The OPA said this action was taken with the authorization of John C. Collett, Stabilization Administrator.

Ceiling prices were suspended Nov. 19.

"Because of the unexpected increases in fresh citrus fruits," said the OPA statement, "the advisability of restoring controls has been under consideration for several weeks."

EGGS, LARGE TURKEYS CHEAPER--New York city housewives will pay 1 to 3 cents less for three food items--eggs, dressed medium and large turkeys and lettuce--beginning today, Leo F. Gentner, regional OPA Administrator announced yesterday, according to The Associated Press.

EGG SUPPORT PRICES, Editorial--Secretary of Agriculture Anderson has announced the Government will buy eggs to support prices during the heavy production season next spring. Under the law, the Government is required to support producer prices of eggs at not less than 90 per cent of parity. The eggs acquired by the Government will be sold for export or transferred schools for use in lunch programs. It has been estimated that the cost of these support operations may be more than \$200,000,000.

Here we have an interesting paradox. While Price Administrator Bowles is demanding an early extension of the price control legislation because of the dangers of a price rise, the Government will not permit egg prices to decline. The money spent to support egg prices will result in a larger Federal deficit than we would have in the absence of this program. This larger deficit undoubtedly will have to be financed by the creation of more bank credit. Since this is the basic source of our present inflation danger, it is clear that the egg support program will add to the inflationary pressures.

(Turn to page 2 for other items in today's New York Times.)

From the New York Times, Jan. 3 (Cont.) -

COTTON PRICES OFF BY 2 TO 10 POINTS--Influenced by the Government offering of 1,500,000 bales of cotton to the trade during the early part of this year, the cotton futures market turned slightly easier and closed 2 to 10 points net lower.

While the Government offered to sell its stocks to supply mills with cotton, spot cotton men believe that the Government has only a relatively small quantity of desirable cotton, and even at the Government's January selling price of 23.62c at Memphis, there are costs amounting to 128 points to get the cotton to a delivery point, and this is without allowing a profit to the merchant. Another factor which checked the decline was that there is no prospect in the near future that production of cotton goods will match up with the demand, so that mills will be forced to fix the price on large quantities of cotton the balance of the year.

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PROFIT SALES PUT GRAIN PRICES DOWN--Heavy profit taking sales of grain futures that had been deferred from late last year in order to take advantage of lower income taxes for 1946 resulted in lower prices today on the Board of Trade. May rye led the decline and closed 5 cents a bushel lower on the day, with the distant months unchanged to 2 7/8 cents lower, July holding at the ceiling. May wheat was unchanged despite a much heavier trade than recently, while the deferred deliveries were 2 1/8 to 2 1/4 cents lower. Oats lost 1 cent to 1 3/4 cent lower and corn futures were unchanged, there being little trading in the latter at ceiling prices. Barley was unchanged.

Farmers showed no great disposition to sell cash corn, only 100,000 bushels being secured and the buyers were forced to pay full ceiling prices plus permissible markups.

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From the New York Herald Tribune, Jan. 3 -

HOG PURCHASES HALTED DUE TO SIOUX FALLS GLUT--John Morrell & Co., packing plant here, stopped buying hogs temporarily today because of a glut of supplies, and Sioux Falls stockyard officials urged farmers to withhold their animals from market.

The stockyard was receiving hogs to the capacity of its pens but turned back some animals Tuesday night and more today. Today 5,000 hogs were brought here.

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OPA RULES ON PRICES OF WOMEN'S FUR APPAREL--The Office of Price Administration ruled today that manufacturers of women's fur garments must have specific written authorization from price officials to charge more than their dollar-and-cent ceilings.

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'45 VOLUME OVER BILLION FOR U. S. CO-OPERATIVES--Consumer and purchasing co-operatives of all types accounted for "well over" \$1,000,000,000 of business last year, it was disclosed yesterday by the Co-operative League of the U.S.A. The league based its estimate on reports by the United States Bureau of Labor Statistics and the Farm Credit Administration.

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From the Wall Street Journal, January 3 -

ANDERSON IS "CONCERNED" - Secretary of Agriculture Anderson said he was "extremely concerned" over the threat of a meat packinghouse strike....The possibility of Government seizure of the packing plants aroused speculation as to which Government agency would be assigned the job. Because of the close association between the meat packing industry and the Department of Agriculture and because of the effect a strike would have on food supplies and livestock producers, it was believed that Mr. Anderson would be handed such an assignment.

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SHERWIN-WILLIAMS DEVELOPS NEW DDT CONCENTRATE - A new D.D.T. concentrate, known as Pestroy, has been developed by Sherwin-Williams, the company announced...Pestroy is a 25% D.D.T. concentrate.....

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AS TO FARM LAND PRICES, Editorial - Officers of the Farm Credit Administration continue to express misgivings over the rise in farm land prices and its possible consequences.....

We do not question that such a warning, particularly against excessive mortgage borrowing, is in order. But it may be noted that five years ago the prevailing prices for farm products were not far from their bottom of the depression period and land was priced accordingly. The average rise of one per cent a month would mean that land had advanced by 76 per cent or more as compared with five years ago. But the Bureau of Labor Statistics index of prices for farm products reflects a rise of almost 90 per cent in the same period. What is more, Congress has undertaken by statute to guarantee the farmer against anything like a collapse in his selling prices for two calendar years following the official declaration of the war's end.

It would appear that if blame for the farm land boom is to be placed it should not all be put upon the individual farmers who are borrowing to buy land. A great deal has been done by the government--and by the farmer's representatives therein--to encourage him in just that course.

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AGRICULTURE MAY RESTORE WARTIME CURBS ON PROTEIN FEEDS, Washington- Wartime restrictions on the manufacture and distribution of protein feeds may soon be restored by the Department of Agriculture. An order limiting mixed feed manufacturers and other users of protein feeds to a monthly production of not more than 100% of the quantity produced during the like month last year is now in preparation by the Department.

Officials assert that such action is necessary because of the "very limited supply" of protein feeds. There are said to be unusually heavy demands for this type of feed from poultry farmers, who now have 500% more chickens than during pre-war years....

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BUTTER TRADE HAS LESS THAN DAY'S SUPPLY - C. E. Rader, business manager of the New York Mercantile Exchange, declared yesterday that there was "less than a day's supply" of butter in wholesale channels, according to the Associated Press.....

(Turn to page 4 for other items from the N. Y. Wall Street Journal.)

Farm Digest 15-46-3

From the New York Wall Street Journal, January 3 -

TAYLOR MILLING STOCKHOLDERS VOTE SALE TO RALSTON, Los Angeles - Stockholders of Taylor Milling Corp. have approved a plan whereby the Ralston Purina Co. will purchase assets and assume liabilities of Taylor Milling....

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From the Baltimore Sun, January 3 -

FARMERS NOW OWN LAND BANK OF BALTIMORE - The Federal-Land Bank of Baltimore became the sole property of its farmer-borrowers yesterday when a final payment of \$5,758,000 was made to the United States Treasury, according to an announcement by H. V. Vaughan, president.

Farmers in the second farm credit district (Pennsylvania, Delaware, Maryland, Virginia, West Virginia and Puerto Rico) own all outstanding shares of their local national farm loan associations which in turn now hold the entire stock issue of the land bank here.

The payment just made, Mr. Vaughan said, represents the balance of approximately \$12,000,000 of Government money made available to the bank in the depression years when the farmers were having difficulty in making payments on their loans....

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From the St. Paul Sunday Pioneer Press, December 30 -

RISING PRICES MAY PROLONG FOOD SUBSIDY, Washington- The administration may ask Congress for authority to continue a part of its present \$1,785,000,000 yearly food subsidies beyond June 30, it was learned Saturday night...

The administration had hoped that the subsidies, applying to a wide variety of important foods, could be ended without raising the cost of living...

But most farm and food prices increases have been holding at wartime levels or have moved above them during recent weeks. The Agriculture department reported the general level of farm prices of Dec. 15 was the highest in 25 years.

The subsidy problem was discussed at several conferences this week with officials of the Office of Price Administration, representatives of Judge John C. Collet, stabilization director, and Agriculture department officials...

The department official said administrative leaders are giving serious consideration to the suggestions for continuing some of the subsidies beyond the June 20 deadline....

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From the Farmers-Elevator Guide, December -

HORSE-WIDTH CORN ROWS WASTES GOOD SUNSHINE - Traditional practice of planting corn in 40- or 42-inch rows, a pattern probably set by the width of a horse, "wastes" a lot of sunshine that would otherwise be growing crops, it is pointed out by Dr. George D. Scarseth, research specialist. Eighty-five bushels per acre are possible in 38-inch row planting, as compared to 70 bushel in the old pattern....

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From the Wall Street Journal, Dec. 31 -

FARMERS WILL BENEFIT FROM HIGH CROP PRICES; U.S. GUARANTEES THEM--For the next two or three years, American farmers will be living in a paradise created by the aftermath of war and guaranteed by the Government.

It will be an agrarian dream world of markets for nearly everything farmers can raise and of prices only slowly retreating from lush wartime peaks.

But agricultural economists think the bubble may burst in 1949 or 1950. They are dead certain this will happen if farm production runs away at a time when people in this country can't afford to keep up their dining standards and when foreign folk begin to eat less American food.

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THE EGG AND PARITY, Editorial--The Agriculture Department is urging farmers to cut egg production. However, the law requires that the department support egg prices at 90 per cent of parity. This support price is sufficient to encourage production and the prospects are that the government will have to buy \$200 million dollars worth of eggs.

The salvation of the farmer is not in guaranteed prices. It is in cheaper production. And while legislators are passing laws, farm production is being modernized and mechanized. In one respect an egg and an automobile are alike; the cheaper they can be produced and sold the more will be bought.

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From the New York Herald Tribune, Jan. 2 -

HOG RECEIPTS OFF SHARPLY FOR YEAR IN CHICAGO--Salable hog receipts in the big Chicago livestock markets in 1945 were more than 1,500,000, less than the 1944 deliveries of 3,618,308 head, according to preliminary reports on marketings for the year. This limitation of supplies, coupled with active demand, caused hog prices to crowd Office of Price Administration ceilings during the period.

Cattle receipts for 1945 were about equal to the 2,176,390 marketed in 1944. Salable sheep were somewhat fewer than the 1944 total of 1,095,868, and calves also were slightly under 1944.

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FARM-MACHINE SETBACK LAID TO BEARING STRIKES--Farm implements and tractors to be manufactured in 1946 will be substantially the same as pre-war models and full-scale production will be resumed as soon as raw materials and parts become available in larger quantities, Alva W. Phelps, president of the Oliver Corp., predicted yesterday in outlining the farm-equipment industry's prospects for this year.

Mr. Phelps said that the industry, one of the first to complete conversion from war to peacetime product manufacture, has suffered a setback as a result of strikes in many bearing-producing plants.

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WOOD INDUSTRY GETS READY FOR ITS BIGGEST JOB--Prospects of a tremendous building boom and development of many new wood products during the war combine to present the wood industry "with the biggest job in its entire history," according to the annual review and forecast issued by the American Forest Products Industries.

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From the New York Times, Dec. 30 -

REPORT FROM THE NATION. - The Upper South-- Movement for Expansion of Rural Health Aids - Better rural health and hospital facilities continue to be a lively topic in this region, and it promises to be a major issue before the Virginia Legislature, which meets a few weeks hence. Three important legislative commissions have issued reports dealing with separate phases of the problems in the Old Dominion, and recommending appropriations aggregating several millions to get the program under way.

Only fifty-one of Virginia's 100 counties have full-time health departments and everyone agrees that this service will have to be extended as soon as possible throughout the State.

Midwest States--'46 Expected to be Almost as Busy as the War Era -(Omaha) - For bustling Midwesterners, post-war 1946 will be only slightly less busy than wartime 1945. Many diverse tasks and problems will be clamoring for attention after the New Year's holiday.

The most pressing immediate problem, aside from that of helping returning veterans get re-established, is that of finding or building additional housing facilities. Major projects include: The furthering of plans for development of the ten-State Missouri River Basin, farm and industrial research, readjustment of farm activities to fit peacetime needs, extensive highway and street rebuilding, construction of additional aviation facilities and improvement of present fields, and greater attention to soil conservation activities.

The amount of work that can be done upon the Missouri River during the coming year depends largely upon the generosity of Congress in providing appropriations. Governors of the river States and various Government agencies, including the Army engineers and the Bureau of Reclamation, have the Pick-Sloan development plan ready to swing into high as soon as adequate funds are available. The merits and demerits of the proposed Missouri Valley Administration will continue to be debated both in this region and in Washington, but this need not retard the program of work under the Pick-Sloan program.

News Notes: Midwest market circles are buzzing about a paradoxical "corner" in wheat. Mills are running short of the bread grain although the 1945 crop was the largest in history; the reason—huge Government-held stocks are consigned to overseas shipment, while farmers are holding the remainder on the farms, hoping for higher prices.

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From the St. Paul Pioneer Press, Dec. 30 -

DAIRYMEN TO FIGHT AAA PLAN - Minnesota's organized dairymen emphatically dissent from recommendations made to the U. S. Department of Agriculture by AAA leaders for retention of dairy price ceilings and subsidies, it was revealed Saturday night.

That emphatic dissent is to be registered in Washington, although in what form is not yet announced.

Adherence to the program recommended by the National Cooperative Milk Producers' federation is to be urged as being that of the dairy farmers themselves, dairy leaders said Saturday. That program calls for removal of subsidies now or on June 30, for upward adjustment of ceilings to avoid placing the burden of that removal on dairy farmers, and re-adjustment of ceilings to restore proper relationships between prices of different dairy commodities, or else removal of ceilings altogether.

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(The newspapers and magazines from which these agricultural items are taken are on file in the Press Service, Room 411-A. Phone Gene Harrison at 6212.)

From The New York Times, Jan. 4 -

PACKERS MAY BE SEIZED IN STRIKE--President Truman will probably order seizure of the packing house plants affected by a strike if a walkout takes place on Jan. 16, it was learned today, but there is also being discussed the possibility of his naming a fact-finding committee before the strike date.

Whether the name of a fact finding committee itself would avert a strike is a matter that only top officials of the CIO Packing House Workers Union can answer. A possible inkling of what that answer may be may be disclosed by the trend of the "strategy committee" of the Congress of Industrial Organizations.

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WORLD TRADE TALK SEEN A YEAR AWAY--At least a year will elapse before the heralded international conference to establish a code for world trade can be held, official British and American circles said today.

The preliminary spadework necessary for the meetings will require three to six months longer than was first anticipated and as a result the preparatory conference originally scheduled for March will not be held until June. It is now predicted that the final full conference due in midsummer will not be called until next January at the earliest.

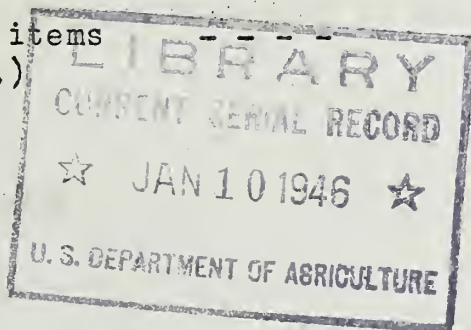
The representatives of the major trading nations this week to consider the time and place for the first of the two conferences developed the fact that few of the seventeen nations invited by the United States to attend the early meeting were prepared for the discussions. Since many controversial subjects, such as the reduction of imperial preferences, cuts in tariffs and the abolition of exchange restrictions, are due to the debated, officials feel that they require more time for preparing their cases.

Although the matter is not finally settled, it is reported here that the preliminary conference will be held in England and the final gathering on the Continent.

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FIRST UNRRA SHIPS CARRY AID TO CHINA--Peter I. Alexeev, Russian chief of the United Nations Relief and Rehabilitation Administration mission to Czechoslovakia, described today at his press conference the help that that nation was receiving. UNRRA revealed tonight that the first 100,000 tons of food, clothing and medicine had reached China, a still earlier victim of Axis aggression. The fifteen UNRRA ships that now have arrived at Chinese ports carried the first relief supplies in quantity that China has received since the Japanese seized her coast.

(Turn to page 2 for other items in today's New York Times.)



From the New York Times, (Cont.) Jan. 4 -

ARMY CALLS BACK PART OF ITS BUTTER--The surplus of butter made available to civilian buyers last Fall after hostilities had ceased has been reduced about 25,000,000 pounds chiefly as a result of "miscalculations" of requirements by the War Department, it was disclosed today.

Only about 75,000,000 pounds of an expected surplus of 100,000,000 pounds of butter released by the Army, War Shipping Administration and the Department of Agriculture would now be returned to the civilian trade, food officials said.

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PRICES INCREASED IN GRAIN FUTURES--Heavy selling of grain futures on the Board of Trade here to secure profits for income tax purposes apparently ran its course yesterday, and it took but moderate commission house buying to turn prices upward today after a small dip at the opening. Closing trades on leading grains were about the top, with the active deliveries of rye gaining $1\frac{1}{4}$ to $1\frac{5}{8}$ cents a bushel, May leading. Wheat was up $\frac{1}{4}$ to $7/8$ cent and oats were up $\frac{1}{2}$ to $5/8$ cent. Corn finished unchanged at the ceiling price. Barley futures were $\frac{1}{4}$ cent lower to $\frac{1}{4}$ cent higher nominally.

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TRADING IN COTTON IS MIXED IN DAY--Holding within a comparatively narrow range, the cotton futures market on the New York Cotton Exchange opened yesterday unchanged to 3 points up and closed 1 point lower to 3 points higher than on Wednesday. It eased after the opening on liquidation and light hedge selling, but came back on trade support.

The announcement that the Government was ready to sell 1,500,000 bales of cotton early this year had only a momentary influence on prices this week, largely because spot firms believe that in Government stocks there will be only a small percentage that is of the qualities which mills can use, and that much of the stock is low grade or short staple.

The Commodity Credit Corporation will not issue loan figures as of Dec. 22, but its report of Dec. 29 will be issued in a few days. The last report on loans was as of Dec. 15.

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OPA TIGHTENS RULE ON SURPLUS GOODS--The Office of Price Administration tightened its regulation governing prices of surplus war goods today in an effort to pass on to consumers savings resulting from lower original costs of the materials.

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RIGHT TO TRANSPORT MEAT GRANTED MOTOR CARRIERS--Motor contract carriers, operating under agreements with packing houses, can now, by a decision of the Interstate Commerce Commission, transport "meat, meat products, meat by-products, dairy products and articles distributed by meat-packing houses."

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From the New York Wall Street Journal, January 4 -

FOOD SUBSIDIES MAY CONTINUE LONGER THAN ECONOMIC STABILIZERS PLANNED. - The original intention was to drop all farm subsidy payments (except on sugar) by mid-1946.

But the planners' calculations went astray; farm prices have continued to rise, leaving the Administration with the embarrassing choice of maintaining the subsidy program or facing a sharp cost-of-living jump about the time the Congressional campaign swings into high.

Stabilizer Collet has indicated Congress will be asked to continue food subsidies past the June 30 deadline he set last November. Those most likely to remain are on meat, dairy products, flour and sugar.

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OPA PRICE DEPARTMENT TO HANDLE SUGAR RATIONING, Washington (UP) - The Office of Price Administration has dissolved its rationing department and turned over to its price department the rationing of sugar, the only commodity left on the ration list....

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GLOOMY DATE MEN, Indio, Calif. - Nineteen forty-five was the worst year in history for North American dates....

Last year's California crop, which is nearly all packed already—though picking, which starts in September, usually last through January—is not figured at more than 8 million pounds.

In 1944, good growers earned a 100% return on their investment from a single record crop. Net profits, after interest and management returns, averaged nearly \$2,000 an acre; a few growers made close to \$4,000 an acre.

California accounts for 90% of the North American date crop, Arizona the remainder. From California's 3,000 date-bearing acres, growers harvested 24 million pounds in 1944, grossed around \$8 million, netted about \$5 million.....

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WORST BUTTER SHORTAGE, Washington - Butter will be even harder to find during the first three months of this year than in the final months of 1945.

Allocations of butter for civilians, just announced by the Department of Agriculture, will be 30 million pounds smaller during the first quarter of 1946 than during the last period of 1945. This cut, from 399 million pounds to 369 million pounds, represents a 7.5% reduction....

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SEARS, ROEBUCK TO BID FOR HOME FREEZER MARKET, Chicago - Sears, Roebuck & Co. will begin making a bid for its share of the nation's home and farm freezer business when it starts deliveries of these units about February 15. The outstanding thing about the Sears units will be their price, which is believed to be considerably below the level at which home freezers have sold.

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From the New York Wall Street Journal, January 4 -

HOG PRICES suffered their first setback from ceilings in more than a month yesterday, as heavy receipts poured into the Chicago market. Offerings numbered 36,000 head, including 16,000 direct to packers. Early sales of lightweight hogs scaling 190 to 240 pounds dropped 10 to 15 cents, with a practical top of \$14.75. The cattle and sheep markets generally held steady.

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U.S. MAY ELIMINATE FLOUR EXPORT SUBSIDY, Washington - The increases in prices in Canadian wheat may make it possible for the U. S. to eliminate export subsidy payments on flour, some Department of Agriculture officials think. The Canadian Wheat Board, these officials said, recently announced its intention of increasing the ceiling price of the Canadian grain 1.5 cents a bushel during each of the months of January through April. Should grain prices rise with each jump in the ceilings, Canadian wheat prices May 1, 1946, would be 6 cents a bushel higher than December 31, 1945.

According to the U. S. wheat experts, this 6 cent increase....would be equivalent to a rise of 14.1 cents a hundred pounds in Canadian flour. Such a hike would be approximately the same as the 15 cent subsidy which the U. S. was paying December 31.

The purpose of the subsidy is to enable flour millers in this country to compete in world trade with flour milled from less expensive Canadian wheat.....

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CANADA SEEKS 5-YEAR CONTRACT ON WHEAT SALES TO BRITAIN, Ottawa - An attempt will be made to negotiate a five-year contract for the sale of Canadian wheat to Britain at a fixed price it was learned coincident with the departure for England of Trade and Commerce Minister James A. Mackinnon...

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STANDARD BRANDS - It now appears that 1945 was a very satisfactory year for Standard Brands, Inc. With sales sharply above those of 1944, net profits for 1945 are estimated around \$2.70 a common share. This would compare with \$2.59 a share in 1944 and \$2.63 in 1943....

Like other food manufacturers, the firm must contend with such things as material shortages, rising costs and price ceilings. Scarcity of sugar, fats and oils, for instance, are likely to delay Standard's plans for expanding its salad dressings, sandwich spreads and canning activities. Production of desserts, such as gelatins and puddings, also will be limited as long as there is a shortage of sugar.

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CHERRY-BURRELL CORP. - Business of Sherry-Burrell Corp manufacturer and distributor of dairy plant equipment and supplies, in the fiscal year ended October 31, approximated that of the preceding year. Despite the fact that deliveries exceeded the 1943-41 average by 50%, the company's unfilled orders continue to increase, giving it a fairly bright prospect for the current fiscal year. Net after all charges in the year ended October 31 was \$1.01 a share on 445,975 shares of common, comparing with a readjusted net \$1.04 a share, in the preceding year. Sales were \$17,818,984 against \$17,895,968....

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From the St. Paul Pioneer Press, Dec. 30 -

AAA CHIEFS SEEK TONIC FOR WAR-WORN FARMS - Putting pep back into Mid-west soil which was high-pressured into producing record crops of food for victory and now needs conservation treatment will be the big problem before the nation's top AAA men here Jan. 10 and 11.

The daddys of the AAA program--from its founder, Henry A. Wallace, now secretary of commerce, on down--will be on hand for the meeting, the largest of its kind to be held in the United States in 1946. State AAA chiefs from 10 states, as well as Washington, will attend.

J. B. Hutson, now undersecretary of agriculture and formerly assistant administrator, will speak. Other speakers will be Paul Stark, director of the Food Distribution Programs branch, Leroy K. Smith, director of AAA North Central region, and J. Carl Wright, manager of the Federal Crop Insurance Corp.

The states to be represented are Minnesota, Wisconsin, Illinois, Indiana, Iowa, Michigan, Missouri, Nebraska, Ohio and South Dakota.

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From the New Orleans Times-Picayune, Dec. 31 -

MORE BEEF LIKELY IN SPRING OF 1946-(AP) - More beef in the spring of 1946, followed by a shortage next summer, was forecast today by H. M. Conway, market analyst. He also predicted the short supply of pork would continue through next spring.

"Marketing of the best fed cattle in the spring will be 'bunched,' a fact attributed to the holding of cattle to utilize soft corn," Conway said.

However, Conway said he believed the real reason for heavy spring marketings of beef is that many cattle, lacking maturity, were put on feed later than usual. He said feeders will tend to liquidate cattle in advance of June 30, when subsidies are to be discontinued.

Conway said he expected the balance of fed lambs to be marketed largely by mid-February.

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From the Memphis Commercial Appeal, Jan. 1 -

1945 SEASON UNKIND TO COTTON PRODUCERS - Nineteen hundred forty-five did much to cotton. Some of the things which occurred may, when future events develop, prove to have been beneficial. Others, viewed at long range, may prove to be harmful.

Cotton is selling for about 3 cents a pound more than it was a year ago..... While the farmer is getting a better price for his cotton this year, he is harvesting a smaller crop and a crop of a lower grade, so that, except in isolated instances, his income from cotton is smaller, rather than larger than a year ago.....

The shortage of labor may have forced the beginning of the revolution which will bring about the industrialization and mechanization of cotton farming. The mechanical harvester awaits only production to move into the cotton fields in increasing numbers. With its development, there has been great strides made in mechanical cultivation, notably the flame cultivator. It is possible now to plow, plant, cultivate and harvest mechanically. How far the revolution will go can only be tested when the needed farm machinery becomes available. For 1946 the outlook for cotton is not rosy, except that there undoubtedly will be a great demand for it at home and abroad.....

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From the Southeastern Cattleman and Dairy Journal, December -

FULL PRODUCTION AND FULL EMPLOYMENT ARE VITAL TO FARMERS, Editorial - The question of what's ahead for agriculture is of interest to both farmers and agricultural leaders. Nobody wants to see a return to depression times and the consequent ill effects on all classes of the population. And yet it is now realized more fully than ever before, that agriculture cannot prosper unless industry prospers--unless industrial workers are on full employment and enjoying good incomes.

Secretary of Agriculture Clinton Anderson recently brought out these points in a fine way, and showed what national agricultural leaders are thinking about the question.

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From the National Live Stock Producer, December -

THOSE CATTLE SUBSIDIES, Editorial - If the government continues to impose wholesale and retail price regulations in pursuance of its cheap food policy, despite increased farm production costs, we may anticipate that removal of subsidies on live stock will seriously affect prices paid to producers.

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From the New Orleans Times-Picayune, Dec. 31 -

GOOD FARM YEAR PROMISED LOUISIANA - A good financial year for all classes of agriculture in Louisiana during 1946 was predicted Saturday by B. B. Jones, agricultural secretary of the Association of Commerce.

Cotton, sugar cane, sweet potatoes, live stock, poultry, eggs and milk are among the products which should increase according to demand and price, Mr. Jones predicted. Machinery will be used to overcome the shortage of farm labor, while frozen food plants built and operating will increase the demand for fruits and vegetables, he said....

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From the Dairymen's Price Reporter, December -

GOOD OLD DAYS DAYS STRETCHED TOO FAR INTO NIGHT - Farmers, like other folks, sometimes may express a wish for the good old days; but agricultural engineers at Ohio State University say that one of the easiest ways to start an argument in a farm meeting now is to suggest that some Ohio farms may be getting overstocked with power machinery.

Any kindly thoughts of the old team of horses does not balance keen memories of long hours in the fields trying to get the work done and the time spent afterwards in caring for the team. The agricultural engineers calculate an average of 9.8 man hours per acre was spent in preparing the seedbed and planting an acre of small grains with horses but the same work can be done in 3.9 hours with power tools....

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(The newspapers and magazines from which these agricultural items are taken are on file in the Press Service, Room 411-A. Phone Gene Harrison at 6212.)

From The New York Times, Jan. 5 -

WHITE HOUSE MEAT PARLEY CONSIDERS RISE IN PRICES--As the meat packing strike set for Jan. 16 became an industry-wide threat today with 135,000 members of the American Federation of Labor added to the 200,000 of the Congress of Industrial Organizations, Presidential advisers was held at the White House.

Present at the White House conference, in which President Truman did not participate, were John W. Snyder, Director of the Office of War Mobilization and Reconversion; Chester Bowles, head of the Office of Price Administration; Lewis B. Schwellenbach, Secretary of Labor; John C. Collet, Stabilization Director and Harry Reed, representing Clinton P. Anderson, Secretary of Agriculture.

These officials are understood to have discussed a possible general increase in retail meat prices, which is regarded in some quarters as necessary if the packers are to meet a substantial part of the union's demand for a 25-cent increase in hourly wages.

Additional consideration will be given to the price problem by the Agriculture Department and the OPA, and action is expected within the next week. The price increase was suggested by Secretary Anderson in Raleigh, N. C., but no recommendation from him to that effect has been reported by the Office of Stabilization.

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AFL UNION ASKS FOR MEAT PARLEY--Leaders of the AFL Amalgamated Meat Cutters' and Butcher Workmen's Union called upon President Truman today to hold in Washington a meeting with their union and the CIO United Packing House Workers to prevent the projected strike.

They warned him that if such a meeting were not called before Jan. 11, "the AFL union will call its 135,000 members out on strike."

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RUSH OF LIVESTOCK TO MARKET--Livestock growers were running their herds to market tonight hoping to beat the nation-wide strike to slaughter house workers and butchers.

A spokesman for Union Stock Yards said that receipts since Monday were the greatest in ten years. Hog, sheep, cattle shipments were more than double those of last week.

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ST. PAUL EMBARGOES HOGS--The St. Paul Union Stockyards Company today declared in embargo on hogs because "more hogs are being received than can be processed." Receipts thus far this week total more than 100,000.

William P. Dolan, secretary and traffic manager of the Livestock Exchange, warned farmers today that ceiling prices could not be maintained if the heavy marketing of hogs continued. Prices yesterday were 15 to 25 cents under ceilings for the first time in several weeks.

Mr. Dolan attributed the heavy current volume to lowered income taxes, a late-maturing spring pig crop, desire of farmers to feed out soft corn--otherwise unmarketable--and the threat of a packing house workers walkout.

(Turn to page 2 for other items in today's New York Times.)

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From the New York Times, Jan. 5 (Cont.) -

PRICES FOR COTTON DROP 1 TO 5 POINTS--Cotton futures turned slightly easier Friday, and closed 1 to 5 points net lower. After opening 2 points higher to 1 point lower, the market eased off on liquidation, but recovered later on trade support, establishing net gains of 6 to 11 points on active months. Part of the rally was lost later, however, when New Orleans brokers and the South sold.

President Truman's talk was construed as bearish, in that he admonished Congress that price control should be continued after June 30, next. The labor strife throughout the country also had a bearish influence on local sentiment.

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CORN TIE-IN IS SEEN IN CASH OAT SALES--Hedging sales' against purchases of 300,000 bushels of cash oats for deferred shipment from the country proved today to be too much for the market on the Board of Trade to absorb and prices closed about the bottom with losses of $3/4$ to $7/8$ cent a bushel. The weakness in oats spread to other grains and active deliveries of rye lost $1\ 1/8$ to $2\ 1/8$ cents net, and those of wheat, $3/4$ to $7/8$ cent. Corn finished unchanged at ceiling prices. Barley was $1/4$ cent up and $1/4$ cent down.

The large purchases of cash oats were said to have been the result of tie-in purchases of cash corn, one car of oats being taken with a car of corn, all trading being at ceiling prices plus permissible mark-ups. Bartering of one grain for another and for various by-products is said to be increasing rapidly, and some brokers say a large part of the business now is conducted on this basis.

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\$33,000,000 LOAN LIKELY FOR CHINA TO BUY COTTON FROM SURPLUS HERE--The Export Import Bank plans to grant to China a \$33,000,000 credit for the purchase of American cotton, usually reliable quarters reported tonight. It was understood that the credit, the first considerable move by the United States toward restoring Chinese economic activity, would come out of a special fund and not from the \$100,000,000 loan fund set up by the Export-Import Bank some months ago to finance cotton sales to foreign nations.

Since such sales qualify for the cotton export subsidy of 4 cents a pound the credit would provide about 300,000 bales.

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From the New York Herald Tribune, Jan. 5 -

A KICK IN THE STOMACH, Editorial--So now we are threatened with a strike which will prevent Americans from eating meat. Not only will this deprivation be an eventual result of the lack of slaughter in the big packing plants but the union officials promise that the pinch will be felt almost immediately after the strike begins. They intend, they say, to halt all deliveries of meat on hand by picketing the plants.

As a commentary on the strategy of organized labor, can one think of anything more devastating than this factual recital? This meat strike will hit us precisely where we live and will produce, unless we are mistaken, a popular reaction highly damaging to the labor movement.

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From the New York Journal of Commerce, January 5 -

U.S. WILL RETAIN WARTIME PATENTS, Washington - Government agencies holding war-acquired patents, processes and inventions intend to retain title to these industrially useful properties for an indefinite period...

SPA reported that a survey of the chief patent-owning agencies of the Government—including the Departments of Interior, Commerce, War, Navy, Agriculture, Federal Security Administration, Tennessee Valley Authority, Alien Property Custodian—indicated that none had any patents, processes, techniques and inventions surplus to its needs and responsibilities, and each agency had stated that it had no intention to declare any of this property surplus....

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CARLOADINGS DROP 26.5%, Washington - The Association of American Railroads reported today that 506,151 cars of revenue freight were loaded during the week ended last Saturday.

This was a decrease of 26.5 per cent, compared with the preceding week; a decrease of 13.5 per cent compared with the corresponding week a year ago, and a decrease of 21.3 per cent compared with two years ago....

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CITRUS JUICE PRICE RISE - Reports in the canned food market yesterday were that some Florida citrus juice canners had advanced prices slightly on new packs and were now offering at the new schedules....

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BUTTER PRODUCTION LAGS 30 PER CENT - Butter supplies increasingly short in local outlets, with most retail stores running out of goods early each day and many for several days at a time. Production shrink from last year has risen to an average of fully 30 per cent through the attraction of raw milk to other outlets....

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SUGAR IMPORTS, 1945, DOWN 10 P.C. - Sugar imports into the United States in 1945 were 4,040,803 long tons raw value, a decline of approximately 10 per cent from the previous year, according to figures compiled by Willett & Gray.

Carryover in Cuba on Dec. 31 amounted to 205,000 Spanish tons against 697,000 tons a year ago.....

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From the New York Wall Street Journal, January 5 -

CANNED MEAT SALES RISE ON THREAT OF STRIKE - Increased sales of canned meats, most noticeable in Chicago/where the big packers have their biggest plants, have begun in anticipation of the United Packinghouse Workers strike.... In New York the A. & P. chain reported a noticeable increase in sales of beef hash and canned pork shoulder.

Consumers earlier yesterday viewed the strike threat with equanimity in San Francisco, Detroit and Pittsburgh, where the packing industry's workers are largely American Federation of Labor members... Philadelphia and Cleveland reported that an increase in canned meat buying was not yet noticeable.....

(For other items from the N. Y. Wall Street Journal turn to page 4.)

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From the New York Wall Street Journal, January 4 (Cont.) -

ANDERSON FOR HIGHER BUTTER PRICES AND MEAT PRICE RISE , Washington-Substantial increases in the price of butter--to 75 cents or 80 cents a pound--and increases in meat prices have been suggested by Secretary of Agriculture Anderson to the Office of Economic Stabilization.

It was learned yesterday that Secretary Anderson has written Economic Stabilizer John C. Collet suggesting higher butter prices to "cure" the shortage and higher meat prices to ward off the threatened meat strike.

On butter, it was learned that Secretary Anderson has suggested an immediate jump of 6 cents a pound retail as a means of stimulating greater production....

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CUBANS WOULD SEND SUGAR FOR 3.67 CENTS TEMPORARILY - Cuban mill owners at a recent meeting in Havana recommended that deliveries of the 1946 sugar crop be made to the United States at a temporary price of 3.67½ cents a pound subject to adjustment in the pending sale negotiations with the Commodity Credit Corp., according to advices from Lamborn & Co.'s Havana agent.

Also among eight recommendations adopted by the mill owners for submission to the president of Cuba was a proposal that Cuba retain 350,000 Spanish long tons of the crop for local consumption and 200,000 tons for shipment to destinations other than the United States out of the prospective production of 4,162,000 long tons.

The mill owners further recommended that the sugars reserved for shipment to countries other than the United States be sold at world prices which currently are a little better than 8 cents a pound. Sugars sold for local Cuban consumption would be sold at the same price paid by the United States.

Sales of sugar and molasses would be handled through the Cuban Sugar Institute, according to the mill owners' plan.

The Cuban Sugar Commission, which was scheduled to leave for the United States last Thursday to resume negotiations for sale of the 1946 crop has deferred its departure.

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SUGAR SHARES - The fact that it will be at least two years before world production is enough to meet world demand has attracted new buying to the sugar shares. Prospects point to better earnings this year for both the producing and refining companies. Puerto Rican companies and the domestic beet sugar producers will benefit from the higher government subsidies designed to encourage increased production. Cuba is assured a price of at least 3.67½ cents a pound for her 1946 crop compared with 3.10 cents for the past season's production. The domestic cane refining companies which had a moderate decline in earnings last year, reflecting a 10% drop in raw sugar meltings, will expand operations. The 1946 cane sugar crops will be larger and more sugar will be made available for the U. S. market. The 1946 domestic beet crop is expected to reach a normal average level of around 1.5 million tons this fall compared with about 1.3 million tons produced last fall. The domestic companies also will be helped by lower taxes.

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From The Chicago Journal of Commerce, Jan. 3 -

LIVESTOCK FLOW SWAMPS YARDS AT 12 CENTERS - All of the predictions made recently concerning sharply increased receipts of livestock after the turn of the year were amply borne out yesterday. A flood of cattle, hogs, and sheep descended upon public stockyards and threatened to engulf unloading facilities at several points.

The aggregate supply of hogs at twelve leading centers was the largest since June, 1944, and the estimated 21,000 head unloaded in Chicago stood the largest since last February. Other markets reporting big runs were Sioux City with 23,000 head, St. Paul with 21,000 and Indianapolis with 19,000.

At the same time, cattle receipts proved exceptionally liberal for a Wednesday, here and at several other markets. Approximately 15,000 head were placed on sale in Chicago, and that number was augmented by at least 500 cattle carried over from Monday's dull session. And 14,000 head of salable lambs and sheep represented the largest one-day receipts for Chicago in several years.

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From The New York Times, Jan. 4 -

LAMENTS OUR FOOD WASTE - Buffalo - Prof. Charles W. Hauck of Ohio State University declared today that enough food was wasted annually in the United States "to feed the five New England States or to feed the hunger-ridden countries of Belgium, Holland, Greece and Czechoslovakia."

Addressing the State Vegetable Growers Association, which is meeting simultaneously with the Empire State Potato Club, Professor Hauck said:

"Wastes on farms, in packing houses, in processing, transportation and storage, in wholesale warehouses and retail stores, in consumers' homes and public eating places add up to:

"Deciduous fruits, 20 percent; potatoes, 28 percent; tomatoes and citrus fruits, 33 percent; leafy, green and yellow vegetables, 43 percent, and other vegetables, 29 percent."

He described research being conducted to try to check the waste through mechanized trimming and packaging of fresh fruits and vegetables in transparent sealed units.

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From The New York Herald Tribune, Jan. 4 -

NEW SPECIES OF SHEEP BRED - Two species of sheep with unwrinkled skin have been bred by the Federal government. The development should prove advantageous to sheep shearers and leather tanners.

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CPA ORDER HELD NO AID ON MEN'S CLOTHING - The new 328B order issued Wednesday by the Civilian Production Administration for the first quarter of 1946, designed to channel fabric into the government's low-end program, will not act to relieve the critical shortage of men's clothing, it was asserted yesterday by industry authorities. The fact that all priority assistance in obtaining wools for the women's wear trade ceases under the new ruling, they said, will not result in increased production of men's wear worsteds so long as the Office of Price Administration's maximum average price regulation remains in force.

* * *

From the Farmers Union Herald, December 21 -

SUPPORT PRICE INTERPRETATION - An unpublished opinion by Government lawyers threw a bombshell into plans of high Department of Agriculture officials to carry out Government price support promises according to "national average" prices.

The legal experts say that Congress meant that prices should be supported to give an average return of 90 per cent of parity to the individual farmer....

The legal opinion claims that the support promises do not obligate the Government to fix 90 per cent of parity as the absolute floor under which no price can go. The individual farmer might have to be satisfied with less than 90 per cent at some seasons of the year, providing his returns for the whole year averaged up to 90 per cent. Congress may have a comment on this interpretation....

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From the Atlanta Constitution, January 3 -

A FEW CRITICAL WORDS ON THE AAA PROGRAM, By Channing Cope - Editorial - We would very much like to see the Triple A payments, for the planting of trees, kudzu, seresia lespedeza, and for the construction of terraces and terrace outlets, increased, or the limits removed, or both. Our reasoning is as follows: The only plausible reason for the continuation of payments to farmers out of the general tax fund, to which non-farmers and farmers alike contribute, is the fact that farm improvement is a matter of public interest. It is not good for the nation as a whole, to have a starved-pit farm population and the non-farm population must get their sustenance from soil. The soil is washing away very rapidly; that is, the productive part of the soil. Kudzu, seresia lespedeza, trees, terraces and proper terrace outlets, will hold the soil to a greater extent than other crops or practices, which are adapted to this region and to the types of soil, and to the degree of slope. They will save the earth's surface and thus save all....

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From the Davenport Democrat and Leader, January 1 -

FARMERS PLAN INCREASED USE OF ELECTRICITY - While 1946 may mark the dawning of the "atomic age" for the world as a whole, for farmers of eastern Iowa it is the beginning of an "electric age," for the electricity has been available to farmers for the past 10 years, full advantage has not yet been taken of this source of power, and great strides toward more efficient utilization of electricity on the farm is predicted in the next few years.

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From the Western Tobacco Journal, January 1 -

LOWER AVERAGE CAUSES GROWERS TO AGITATE DROP OF 10% ON BURLEY ACREAGE - Continued drop in burley prices during the last two weeks of the season prior to closing for the holidays, caused considerable complaint from growers throughout the burley district. Opening prices practically at ceiling, which were Government graders figures, encouraged growers to look forward to receiving the highest prices for the largest crop on record, with possibly one exception. There has been considerable agitation on the part of growers and some farm organizations, recommending a decrease in acreage of 10 percent on burley. This proposed reduction, however, is not meeting with universal approval in the burley district, it being cited that manufacturers would turn to using more of other grades, especially flu-cured, as one of the larger companies is now doing in the manufacture of their brand of cigarettes.....

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(The newspapers and magazines from which these agricultural items are taken are on file in the Press Service, Room 411-A. Phone Gene Harrison at 6212.)

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From The New York Times, Jan. 7 -

QUICK PACKER PEACE URGED BY AFL LEADER--The food supply of the entire nation can be seriously threatened if a strike set for Jan. 16 by 200,000 members of the United Packing House Workers Union, CIO, isn't settled quickly, Patrick E. Gorman, secretary-treasurer of the Amalgamated Meat Cutters and Butcher Workmen's Union AFL, said today.

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SAYS PRICE CONTROLS CUT BUTTER OUTPUT--Owen M. Richards, manager of the American Dairy Association called upon that industry today to make a demand on President Truman to "bring out the full story of today's nation-wide butter famine," which Mr. Richards blamed on unreasonable government price controls.

December production of 66,000,000 pounds of butter was the lowest since 1920, and current production is 27 per cent below the low levels of a year ago, he said.

Receipts are off as much as 50 per cent from the 1940-41 average at the markets.

Secretary of Agriculture Anderson has recommended that the butter price ceiling be raised 13 cents a pound, but the change must be made by Chester Bowles, price administrator, or John C. Collett, stabilization director. Mr. Richards said and added:

"The Government's do-nothing price policy is causing the worst kind of inflationary black market."

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U. S. CHAMBER ASKS ECONOMIC CONTROL--A committee of the Chamber of Commerce of the United States proposal today that President Truman create a permanent Economic Commission which would constantly study economic conditions to obtain maximum use of the country's resources within the framework of a free society.

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RECORD HOG RECEIPTS PLUS STRIKE THREAT SPEED PRODUCTION AND TRADING IN LARD--The largest receipts of hogs in about two years, induced by liquidation of animals held over by farmers until the turn of the year in order to take advantage of lower-income taxes this year, and the threat of a general strike of packing-house workers, resulted last week in a material increase in the make of lard. Trading in refined lard and rendered fat was the largest in some time, including some sold for shipment to the West Indies and other areas, but all business was at ceiling prices, despite a break of 25 to 50 cents a 100 pounds in hogs.

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OPA READY TO FIGHT CITRUS BLACK MARKET--A promise of quick prosecution under the Sharkey Law was the answer yesterday by the Office of Price Administration to a fruit trade assertion that black marketing would result from the restoration for price ceilings on citrus fruits.

The industry itself was responsible for the restoration of citrus price ceilings last Friday, said Leo F. Gentner, regional OPA head.
(Turn to page 2 for other items in today's New York Times.)

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From The New York Times, Jan. 7 (Cont.) -

WHEAT DEVELOPS BEARISH SENTIMENT--A somewhat more bearish sentiment has developed in the new-crop deliveries of wheat in the last few days and prices averaged lower last week on the Board of Trade, due more to professional pressure induced by weakness in other grains than to any change in the general situation.

Announcement that the Government will attempt to export about 200,000,000 bushels of wheat and wheat flour during the last half of the crop year, which will end on June 30, failed to have any effect as a price-making influence, and some operators express doubts that the goal can be met unless there is a drastic change in transportation conditions, and also in regard to the attitude of farmers toward selling surplus grain.

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COTTON PRICES OFF BY 2 TO 11 POINTS--Cotton prices in the domestic market were moderately easier last week in quiet trading. At the close on Saturday active futures contracts on the New York Cotton Exchange showed net declines for the period of 2 to 11 points except the May, 1947 position, which was unchanged.

The main factor in the easiness was the announcement by the Department of Agriculture that it was preparing to offer for sale on a bid basis about 650,000 bales of cotton that were being catalogued. The department also said that it would have an additional 850,000 bales to offer to the trade before the end of March. Following the announcement traders showed an inclination to mark time pending issuance of details regarding the grade and staple of the cotton to be offered.

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COMMODITY PRICES RISE 0.2% IN WEEK--Higher prices for agricultural commodities caused a rise of 0.2 per cent in the week ended on Dec. 29, 1945, in the index of commodity prices in primary markets prepared by the Bureau of Labor Statistics, United States Department of Labor. At 107.0 per cent of the 1926 average, a new post-war high, the index was 0.2 per cent above a month ago and 2.2 per cent above late Dec. 1944.

Primary market prices for farm products advanced 0.9 per cent in the week, chiefly because of the effect of the bad weather on supplies and increased demand caused by holiday buying.

The increase of nearly 6 per cent in average prices for fruits and vegetables was responsible for the rise of 0.8 per cent in the group index for foods. In addition, both rye and wheat flour rose. These increases brought the group index for foods to a level 3.8 per cent above that at the end of 1944.

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FIRM UNDERTONE IN RYE--Although May rye on last Wednesday broke the permissible limit of 5 cents a bushel for one day's net change in price on the Board of Trade, the market developed a somewhat firmer undertone and the loss was recovered later as the result of removal of hedges against export sales.

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From The New York Times, Jan. 6 -

COTTON PRICE CEILINGS PLANNED--Washington--Plans to impose price ceilings on the 1946 crop of cotton were revealed today by Chester Bowles, Price Administrator in another move to stabilize prices of textile and clothing.

The disclosure came without any previous indication that such a move was under consideration. The Office of Price Administration said however, and the Department of Agriculture confirmed the statement, that discussions had recently been held between the two agencies.

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From the New York Wall Street Journal, Jan. 7 -

STOCK-FLED CRISIS - Maldistribution, working on a comparatively small actual shortage of livestock feedstuffs, is leading certain sections of the country that don't grow their own grain toward serious trouble.

There are contributing factors. An actual deficit of feedstuffs is one....Corn, biggest feed-grain crop, was late, and poor in quality...Normal movements of feeds.....are slowed by shortage of boxcars.....Magnifying all these are the price policies of the Office of Price Administration which has attempted to substitute its own calculations for the feed industry's time-tested price-fixing through supply and demand.

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FOOD SURPLUSES large enough to demoralize markets for farm products were said by the Agriculture Department to be a possibility as early as 1947. The products in which serious surpluses are most apt to develop were said to be flour, cereals, eggs, butter and fats, tomatoes, citrus fruits, dry beans and peas, nuts and potatoes. The surpluses, the department stated, are expected to arise with the disappearance of abnormal wartime demands. Improved production methods also are cited as a cause of the possible surpluses.

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O.P.A.'s plan to put ceilings on the 1946 cotton crop, announced over the week-end, aroused hostility among southern senators and was seen as weakening the agency's chances of winning from Congress extension beyond June 30. Senator Bankhead doubted whether the proposal would win from Secretary of Agriculture Anderson the signature necessary to make it effective at the beginning of the new crop year on August 1. The O.P.A. proposal is likely to unsettle and curtail trading on the cotton futures market, in the opinion of traders.

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TRADING SEEN CURTAILED - Imposition of ceiling on raw cotton would probably curtail trading on the cotton futures exchanges, is the view of traders. Based on the greatly strengthened statistical position of cotton this season, the likelihood is that futures prices would adjust themselves to the approximate level of the raw cotton ceiling and freeze there....

Activity on the cotton futures exchanges already has been curtailed through Government price support programs under which the Commodity Credit Corp., buys and sells cotton....These price support programs have tended to discourage the normal hedging operations on the futures exchanges.

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FARM MACHINERY OUTPUT AT POST-WAR HIGH, Washington - Production of \$55 million worth of farm machinery in November, the highest level since the end of the war, was reported by the Civilian Production Administration yesterday. This compares with an output valued at \$53 million in October, and about \$50 million in November, 1944.

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(Turn to page 4 for other items from today's N.Y. Wall Street Journal.)

Farm Digest 35-46-3

From the New York Wall Street Journal, Jan.7 (Cont) -

KRAFT CHEESE CO: will begin construction immediately on a \$100,000 cheese plant in Little Rock, Ark....

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From the New York Herald Tribune, Jan. 7 -

WOOL SET-ASIDE ORDER IS CRITICIZED BY BESSE - The Civilian Production Administration's order to set aside 85 per cent of woolens was criticized by Arthur Besse, president of the National Association of Wool Manufacturers, in a telegram to J. S. Small, C.P.A. administrator. Mr. Besse charged that, instead of assisting the order will actually interfere with production and distribution of woolens for men's suits and overcoats. The ruling, he indicated, added nothing but "confusion" to the industry's efforts.

He characterized the action as "completely unjustified and impractical," and alleged that "practical industry opinion has been disregarded at every stage" and that "compliance is practically impossible."....

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From the Baltimore Sun, Jan. 7 -

VICTORY SHIPS TAKE CATTLE TO EUROPE - Baltimore-built Victory ships are now going into service as cattle-carriers to help replenish the depleted herds of Europe, according to information released by the United States Maritime Commission.

At least a dozen Victory ships are to be placed in this service, it was announced.

- - -

HOLSTEIN-FRIESIAN GIVES 22,231 POUNDS OF MILK - Miss Ormsby Burk-Pieb Gerb-Colan B, a registered Holstein-Friesian cow in the herd of the United States dairy division at Beltsville, Md., has completed a year-long production test period, with more than four and a half times the amount of butter fat and pounds of milk of the average American dairy cow it was announced yesterday.

The cow produced 849, pounds of butter fat and 22,231 pounds of milk, it was said. Testing was supervised by the University of Maryland.

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From the New York Times, Jan.6 -

RECORD BUTTER SHORTAGE FORECAST, Washington - Unless official Washington takes some immediate and positive steps to correct present conditions, civilian butter supplies soon will drop to an all-time low; Alfred Rich, business manager of the Butter and Egg Merchants Association, Inc., said yesterday....

- - -

From The Wall Street Journal, Jan. 5 -

OREGON TUNA BOOM--All along the Pacific Northwest coastline, tuna fishing has grown from nothing at all a decade ago into a big new industry. Only six years ago there wasn't a tuna packing plant in the Northwest. Now a score of canneries handle an annual tonnage approaching that of Southern California, former source of almost all U. S. canned tuna.

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VITAMIN OIL TRADE BECOMES BIG BUSINESS--The American vitamin oil trade has grown out of the small business league and into "big time" in five years.

As the only country equipped to produce shark liver oil and other vitamin A oils on a large scale, the U. S. holds the world's top spot in this commodity and prospects are good for increased exports, the Commerce Department reports.

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From the Baltimore Sun, Jan. 4 -

STRIKES ASIDE, THE BASIC MEAT SITUATION IS A GOOD ONE--The threat of a strike by CIO Packing house workers brings warnings from food experts that the result might be to reduce available supplies of meat. It is stated that Baltimore, for instance, might find itself temporarily deprived of one third to one half of its meat supply, since that proportion comes into the town from plants which might be affected by the strike.

However, the over-all meat situation, the basic factors affecting meat production, are all favorable. In fact, the 1946 meat outlook as described by the Department of Agriculture is likely to embarrass Americans who know how rare a pork chop or a planked steak--or, for that matter, a crust of moldy-bread--is in most of the rest of the world. (Editorial)

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From the Detroit Free Press, Jan. 1 -

INFLATIONARY BUTTER--Department of Agriculture officials and spokesmen for dairy interests are said to be discussing with the QPA a possible price ceiling revision which would permit butter to go to \$1 a pound.

The object of this price would be to spur production for which present prices high as they are, offer no incentive.

The reason there is no incentive is because the price of milk has been pegged by application of Federal subsidies at a point which makes the sale of raw milk more profitable than the manufacture of butter.

This is a perfect example of how inflation works. Instead of the logical step of reducing milk subsidies, the Government proposes to add another upward twist to the spiral.

If approved, no doubt subsidized butter will be produced in such quantities that there will be an eventual shortage of milk, and within a few months the consumer will get another fast ride on the merry-go-around. (Editorial)

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From the Baltimore Sun, January 5 -

FARM BUREAU SPEAKS ON CHANGES IN PARITY FORMULA, Editorial - Having written their parity formula into the law of the land at last, almost all the farm groups are now excessively discontented with it. But they can't get together on a new formula....The fact is that the present parity formula compromises price differentials between the two politically most formidable farm crops--grains and cotton. Almost any parity shift which the cotton people are for will hurt the relative prices of grain, and so earn the lively disapproval of the grain men. And the deep and abiding hatred which many cotton people have developed for the present formula is not shared by the grain people, whom the present formula treats pretty well.

As it happens, however, a new bloc is beginning to make itself felt in this painful row in the farm household. It is the live-stock group, including the meat producers of the West and the dairy and poultry producers of the West and Northwest. These people buy grain to feed. They like to buy grain cheaply. That means they are likely to side with the cotton people in so far as the cotton scheming might result in cheap grain....

The political farm world has been waiting with bated breath, for the Farm Bureau to speak. Well, the Farm Bureau has now spoken. Its parity resolution passed at the recent convention in Chicago is a masterly balancing of the equities between all its constituent farm groups. It comes out firmly for the present formula in cotton and grains, thus maintaining the status quo in relations between these influential groups. But it asks for a special boost for live-stock people by particularistic manipulations in that price sector. Don't be surprised if this is the scheme which finally impresses itself as practicable on Secretary Anderson and the Truman Administration. And don't be surprised if its costs the consumer still more money.

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From the Phenix City Herald, January 4 -

THE TOMBIGBEE FOREST FARMING PROJECT RENEWED BY STATE AGENCY, Montgomery, Ala. - The Tombigbee Forest Farming Project, with headquarters at Grove Hill, has been reopened by the Department of Conservation's Division of Forestry, it was announced by State Forester J. M. Stauffer....

The forest farming project is carried on in cooperation with the U.S. Forest Service under provisions of the Norris-Doxey Law. It is designed to assist farmers and landowners, located in an area where wooded lands predominate, in the production and marketing of timber and other forest products. Assistance is given in forest management, saw timber, pulpwood and gum turpentine operations.

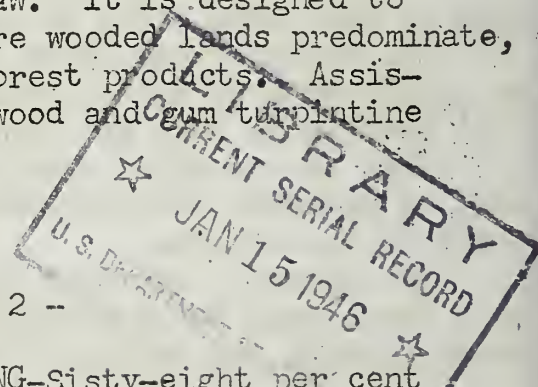
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From the Davenport, Iowa Democrat and Leader, January 2 -

MIDWEST FARMERS FAVOR COMPULSORY MILITARY TRAINING-Sixty-eight per cent of the farmers in mid-western states favor compulsory military training, the news bureau of Successful Farming Magazine said Wednesday.

The conclusion was based on two polls conducted for the magazine among a cross-section of 6,000,000 farmers.....

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From the New York Times, Jan. 8 -

U. S. AIDE WILL MEET PACKERS, UNIONS--Edgar L. Warren, head of the Federal Conciliation Service, will confer here Wednesday with representatives of the "Big Four" meat packers--Armour, Swift, Wilson and Cudahy--and leaders of CIO and AFL unions in an effort to avert a country-wide strike in the meat-packing industry and set for Jan. 16.

The meeting will be held in response to an appeal to President Truman made by the Amalgamated Meat Cutters and Butcher Workers, AFL, which included a threat that 135,000 members of this union would join the strike called by the CIO union.

Lewis J. Clark, president of the United Packinghouse Workers Union, CIO, has announced that 200,000 CIO employees would strike if the union does not get before the strike date at least 17½ cents of its demand for an increase of 25 cents an hour.

George A. Eastwood, president of Armour & Co., said in a statement issued today: "If the increase cannot be taken out of profits and cannot be added to meat prices, and cannot be taken out of livestock prices, it should be apparent that we simply cannot accede to the union demand."

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HARVESTER STRIKE IS SET FOR JAN. 21--The United Farm Equipment and Metal Workers of America-CIO today set Jan. 21 as the date for a strike of an estimated 30,000 members of eleven plants of the International Harvester Company.

Gerald Fielde, secretary-treasurer of the union, stated that the strike action resulted from "ninety days of fruitless negotiations" over a demand for a 30 per cent wage increase.

The Federal Conciliation Service announced tonight that a fact-finding panel would be named to investigate the International Harvester-CIO dispute and asked the union to call off its strike, set for Jan. 21

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146 COTTON CEILING STIRS OPPOSITION--The plan of the Office of Price Administration to place price ceilings on the 1946 cotton crop ran into Congressional opposition today when Senator Burnet R. Maybank of South Carolina appealed to President Truman to block the proposal.

Representative John E. Rankin of Mississippi attacked Mr. Bowles' plan as communistic. He said if ceilings were placed on cotton, it would be "a long step toward driving the cotton farmers into bankruptcy or reducing them to peonage."

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OPA PLAN CAUSES BREAK IN COTTON--Heavy selling of cotton as a result of announcement by the Office of Price Administration that it plans to impose ceilings on the 1946 cotton crop, brought about a sharp early break in the cotton futures market, on the New York Cotton Exchange yesterday. Part of the losses were recovered later and the close went 2 to 11 points net lower on the day.

(Turn to page 2 for other items in today's N. Y. Times.)

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From New York Times, Jan. 8 (Cont.) -

UNDERTONE HEAVY IN GRAIN MARKETS--Grain markets fluctuated today in a nervous manner on the Board of Trade, and although breaking early with cotton and then rallying, the undertone was generally heavy. Rye futures closed at losses of $1\frac{1}{2}$ to $1\frac{1}{2}$ cents a bushel, May leading, although there was buying at times attributed to cash interests. Wheat finished $3/8$ cent lower to $\frac{1}{4}$ cent higher on the active futures. Corn was unchanged; oats, off $1/8$ to $\frac{1}{4}$ cent, and the active delivery of barley gained $1\frac{1}{4}$ cents on scattered buying. New crop wheat futures in Kansas City were $1/8$ to $\frac{1}{4}$ cent lower.

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WAGE-PRICE MUDDLE, Editorial--The Administration has adopted wage-price policy under which wage increases that do not require price increases will be permitted. Because wages have been tied up with prices a steel strike has been voted, the industry insisting that no wage increase can be granted unless it can be recovered through higher prices. Despite the disastrous repercussions and consequences of a steel strike, no change in this policy has been announced. Now Secretary of Agriculture Anderson is reported to have recommended that the price of meat be raised in order to make possible higher wages to workers in the meat-packing industry.

Secretary Anderson's proposal is interesting. At the present time we are spending hundreds of millions of dollars on subsidies in order to hold down the price of meat. If a price increase is to be permitted because of wage increases, why cannot prices be permitted to rise instead of adding a burden of more than half a billion dollars annually to the Federal budget to cover subsidies on meat products?

Meat plays an important role in the cost of living. The proposed increase in meat prices to compensate for higher wages would be reflected immediately in higher living costs and thus give an impetus to an inflationary wage-price spiral. This would appear to be contrary to the price policy on which the Administration has been insisting as an essential part of its anti-inflation program for the transition period. Certainly there is a lack of team-work when one member of the President's official family insists that wage increases cannot take place where prices must be increased while another high official recommends price increases as a means of making possible further wage increases.

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From the Journal of Commerce, Jan. 8 -

"COTTON BLOC" GIRDS TO PREVENT CEILING--Predicting that raw cotton price ceilings will never be imposed, Senator John H. Bankhead (Dem., Ala.) said today that consideration of such a proposal will be inextricably bound up with the hearings and debate on extension of the Office of Price Administration beyond June 30.

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CEILING PRICES FOR COTTON, Editorial--It is obviously inequitable and impracticable to set rigid ceiling prices for cotton textiles while raw cotton is allowed to rise unhindered because of the short supply. Production, particularly of lower-price goods, is bound to suffer as profit margins disappear. But Senator Eastland is entirely justified in pointing out that higher wages play a much more important role in raising the cost of production of products made from cotton than does a higher price for raw cotton. If ceiling prices are to be placed upon raw cotton and other agricultural products, the farmer may ask with justice that wage stabilization also should be more effective.

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From the New York Wall Street Journal, Jan. 8 -

RAW COTTON CEILING HELD UNLIKELY - Washington - The Office of Price Administration will not go through with its threat to set maximum prices on 1946 crop raw cotton, according to some members of the cotton trade and some government cotton experts outside the pricing agency.

The ceiling plan announcement....is interpreted by these men as a move by the agency to "talk down" the price.....

It is generally expected the O.P.A. will follow through on its promise to issue the preliminary announcement of its intention.....This announcement is expected by January 15.....

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COTTON PRICE CEILING proposal represents an abrupt about-face of U. S. policy. Since 1933, when American carry-over was 8.2 million bales and world carry-over 17.1 million, the Government has been battling to raise the price Now, with the aid of a world war, prices have been boosted from six cents to 24 cents a pound, and it's time to sit on them, thinks Price Administrator Bowles. The basic problem of surplus is untouched. U. S. cotton in a storage is 11.2 million bales; world carry-over, 26.6 million....

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ALL MILK DISTRIBUTION may come under U. S. control if a new regulation sticks. A marketing agreement for Columbus, Ohio, has been approved as affecting interstate commerce. All the milk comes from Ohio, but the Agriculture Department says some of it is processed and sold outside the state. Large dairies in Columbus plan to fight the marketing agreement in the Federal court....

- - -

BLACK MARKET BEEF is back, Chicago packers report, since cattle prices have returned to O.P.A. ceilings. After V-J Day the Government eliminated "set-asides" on beef and reduced its purchases. Prices fell, and the black market became unprofitable. A month or so ago a set-aside of about 30% of the total meat supply was reinstated.....Meanwhile, hogs are flooding the market ahead of the threatened packing house workers' strike next week.

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FLOUR MILLERS want the Government to foreclose on 55 million bushels of wheat it holds under loan. Otherwise, say the millers, they must curtail or cease operations until more wheat comes on the market....The Commodity Credit Corp. holds the grain the miller wants....

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WINTER WHEAT got off to a bad start this season. Planting last fall was up 3.6% from the fall of 1944, and the Government on November 1 forecast a 750,739,-000-bushel crop. But ever since planting time Texas, Oklahoma, Missouri, Kansas and Nebraska have been complaining of a shortage of moisture.

(Turn to page 4 for other items
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Farm Digest 45-46-3

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- - -

Farm Digest 45-46-3

From the New York Wall Street Journal, Jan. 8 (Cont.) -

FRUIT EXPORTS may shrivel fast in the post-war world. California growers say domestic demand in 1946 will leave no surpluses for export except of oranges, grapefruit and dried prunes....

- - -

SOYBEAN ACREAGE in northern growing areas will fall sharply this year. The 10-year 1934-43 average of 4.8 million acres of soybeans grew during the war to a record 10.8 million acres in 1945. This year it will be 9 million or less.....

Fewer soybeans may offset.....extend the fats and oils shortage.

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CEILING PRICES FOR COTTON-Editorial - Price Administrator Bowles' proposal to put a price ceiling on raw cotton is violently opposed by "the cotton South." The cost of raw cotton....is a small factor in the retail selling price of a shirt, so small that freezing it at a fixed level would still leave Mr. Bowles struggling with the more powerful influences on the consumer's price.....Yet the price of raw cotton is factor in the diversified use of the fibre, in its competitive position against artificial fibres at the textile mill level and, above all, in the world market outlet for surplus American cotton...

Looking ahead, the Department of Agriculture sees what is likely to happen to rural America, perhaps in 1947, but apparently is unable to propose anything better than a government subsidy to low-income persons so that they could buy more food. Otherwise the Department fears market demoralizing surpluses..... The subsidy plan, of course, is a thinly disguised price bolstering measure.... What neither the O.P.A. nor the farm bloc nor any of our/hangover stabilization agencies have so far grasped is that prices in a free market constitute a powerful and actually indispensable part of the machinery of an enterprise economy.....Their obstinate efforts to disregard and suspend the function of prices in a peacetime economy is the main cause of our present throttled reconversion, maldistribution of commodities and paralyzing labor disputes. A ceiling over raw cotton would be only one more patch on a patch-work already in imminent danger....It is not more substitutes for prices in a free market that the country needs, but fewer of them—rapidly fewer and fewer.

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From the New York Herald Tribune, Jan. 8 -

PEAK STANDARD OF LIVING HELD POSSIBLE IN 46 - The year ahead will give the people of this country the highest standard of living they have ever enjoyed if the current problems of labor and material shortages and industrial disputes are overcome, speakers asserted at the opening session of the thirty-fifth annual convention of the National Dry Goods Association. This outlook, however, they said is contingent upon the present controls operating effectively to prevent a runaway price spiral and consequent inflation....

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From The New York Herald Tribune, Jan. 6 -

EGG PRICE CEILINGS TO DROP - Washington - Retail price ceilings for top-grade eggs, down four cents a dozen since Christmas, will continue to decline at least a cent a week through early March, the Office of Price Administration said today. Lesser price cuts will go into effect each week for other grades.

* * *

From The Antigo Daily Journal, Jan. 4 -

NEED OF ORDERLY HOG MARKETING IS STRONGLY STRESSED-- Price breaks which occurred in some large hog markets early in December should serve notice to every farmer who has hogs to sell of the need for orderly marketing to avoid further sharp price drops and holdover losses, according to Herman J. Anderson, county AAA acting chairman.

Information received from the department of agriculture indicate that there are not too many hogs on farms for the market this winter if an even marketing flow is maintained.

* * *

From The Michigan Farmer, Jan. 5 -

WHAT ABOUT 1946? - Editorial - Farm earnings are expected to drop some in 1946. That will be due largely to higher operating costs and lower prices for many farm products. A few products may go up, but not many.

Lower taxes will remove many farmers from the income tax paying group.

Domestic demand for food is expected to remain fairly high. Much unemployment and labor difficulties, of course, could change that outlook. Foreign demand will probably drop quite a bit after this year's harvest.

Prices of most farm products, excepting cattle and lambs, will be supported at 90% of parity for 2 years after the official end of the war. That means at least until the end of 1947. But farm products now stand at 117% of parity.

What might happen to price controls has a lot to do with future farm costs. Removal of the ceilings would probably bring higher prices for supplies and machinery. Labor should be more plentiful.

Summed up briefly, 1946 looks like another good year for farm folks. Beyond that, however, the future is cloudy and uncertain.

We might better be prepared for rough going and not have it than be caught unawares.

* * *

From The New York Times, Jan. 6 -

FOOD REPORT STIRS OFFICIALS IN TOKYO - Tokyo - Occupation Headquarters personnel has been stirred by the release of General MacArthur's report covering the non-military activities in this command, which contained a statement that Japan must import at least 3,311,000 tons of food in 1946 to maintain an 1,800 calory daily minimum diet. The report was published here without an indication of the period covered (September and October) just when officials were struggling with Washington over food quotas.

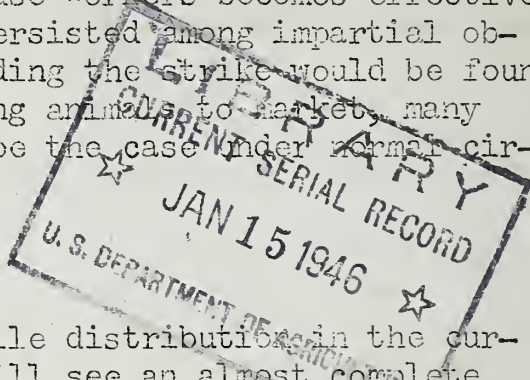
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From the New York Times, Jan. 6 -

REPORT FROM THE NATION, Midwest States, Omaha - Liberalized income tax rates combined this week with the threat of a country-wide strike of packing house workers to produce a glut in Midwestern livestock markets.

The prospect appeared to be that the post-holiday rush would continue until the walkout of the CIO United Packing House Workers becomes effective Jan. 16. A hope, bordering almost on belief, persisted among impartial observers here, however, that some method of avoiding the strike would be found.

However, that may be, farm feeders are rushing animals to market, many of them a trifle less well-finished than would be the case under normal circumstances.....



NEW TEXTILE CRISIS OVL R OPA FORECAST - Textile distribution in the current year faces one more serious crisis which will see an almost complete stoppage in the flow of goods, it was predicted last week by Worth Street commission men in a discussion of what measures can be adopted to guarantee an orderly transition from controlled prices to free markets....

PROPOSE REVISIONS IN OLD TRADE PACTS - Foreign trade representatives are preparing to urge the State Department to speed up the negotiations to modernize existing treaties of friendship and commerce which the United States has with more than thirty nations and to conclude negotiations with as many of those countries with which we have no such treaties as soon as possible, it was reported last week. Exporters and importers alike are said to be particularly desirous of having these pacts brought up to date because of the belief that they will provide a sounder foundation for the development of our foreign commerce....

From the New York Journal of Commerce, Jan. 6 -

PLEA FOR EXTENSION OF FOOD SUBSIDIES WEIGHED BY OES - Washington - A review of the Administration's announced policy of terminating wartime food subsidies by next June 30 is now under way by the Office of the Stabilization Administrator at the request of the Office of Price Administration, it was disclosed today.

OPA officials have made representations to Stabilization Administrator John C. Collett that his policy announced last Nov. 9, which set up a tentative calendar for elimination of the subsidies, should be reviewed in the light of recent events, particularly the failure of any substantial decline in the cost of living index to make its appearance.....

From the Progressive Farmer, January -

NOW LET'S PUSH RURAL INDUSTRIES, Editorial - North Carolina took a long step forward last month when it finally got under way with a new and well-directed program to promote rural industries all over the state....The need for more rural industries is made doubly emphatic by a great surplus of rural population right at a time when increasing mechanization is lessening the need for human labor on the farm.....

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D 14 (The newspapers and magazines from which these agricultural items are taken are on file in Press Service, Room 411-A. Phone Gene Harrison at 6212.)

From the New York Times, Jan. 9 -

WARREN WILL SEEK TO BAR MEAT TIE-UP--Conciliators from the United States Labor Department will move into the packing house wage dispute tomorrow to try to head off the strike set for Jan. 16 which could reduce the country's retail meat supplies to a mere trickle within a week.

The feeling here is that a meat famine never will be allowed to materialize, but whether the method will be a price rise to induce a higher wage offer from the packers, seizure of the plants or some other course, remained to be seen.

The belief is that if conciliation efforts, aided by possible price inducements do not result in a settlement or a postponement of the strike, the Army will take over the plants. This belief is predicated not only on the important place which meat holds in the American diet, but the fact that the Army is buying about 30 per cent of the three lowest grades for overseas relief, according to the Meat Institute of America.

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CLOTHING OUTPUT RUNS INTO A SLAG--Civilian Production Administration attempts to increase the output of cheaper clothing and particularly to help out returning veterans have boomeranged on the boys' clothing industry to the extent of halving its production, it was charged yesterday by clothing industry spokesmen.

Manufacturers of boys' cloth, especially those making the better grades, use wool fabric that from the standpoint of price is approximately the same as that needed by makers of the cheaper clothing for men, it was pointed out. Yet CPA has made no provision for supplying them with anything but a fraction of the goods they formerly used.

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RYE LEADS GRAINS IN RISING MARKET--Grain markets followed securities to higher prices today on the Board of Trade. There was no pressure of consequence and and commission houses and shorts had to bid up grain prices to bring out offerings.

Closing trades were about the top, with rye leading. Active deliveries of rye closed with gains of 1 to 2½ cents. Wheat was up 3/4 to 7/8 cent and oats 3/4 to 7/8 cent. Barley was unchanged to 3/4 cent up and corn was unchanged at ceiling prices, as it has been for two months.

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COTTON SEELS OFF AFTER EARLY GAINS--After making early moderate gains, the cotton futures market on the New York Cotton Exchange sold off yesterday and closed 1 point lower to 15 points higher than on Monday, with distant months relatively stronger than near months.

Starting 5 to 7 points higher, the cotton market established early gains of 12 to 22 points on renewed commission house support, and buying by those who liquidated Monday on the announcement that the Office of Price Administration would impose ceilings on the 1946 cotton crop.

The buying was stimulated by the farm bloc that it would fight the extension of OPA's life after the expiration date of June 30 next.

Exporters in the southwest were protesting the method used by Commodity Credit Corporation in selling cotton on bids, claiming that this method does not protect their previous sales made for export.

(Turn to page 2 for other items in today's N. Y. Times.) - - - -

From The New York Times, Jan. 9 -

UNRRA-ITALIAN DEAL EXPECTED THIS WEEK--A new contract between the United States Relief and Rehabilitation Association and the Italian Government to govern the handling of the \$450,000,000 supply program that will be the key to the Italian economy in 1946 is expected to be signed by the end of the month, S. M. Keeny, head of the UNRRA's Italian mission, said today.

Mr. Keeny said that the first loadings of food and raw materials under the 1946 program would start this week.

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NEW DYE PROCESS HELD AID TO COTTON--A new pigment dyeing process which the company states will open up new sales outlets for the Government's surplus stock of low grade cotton was announced yesterday by Dan River Mills. The new process, according to Dr. Harley T. Jennings, assistant director of research for the company, permits use of lower grade cotton for higher quality fabrics than has been possible by conventional dyeing methods of the past.

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CAMPAIGN OF VILIFICATION CHARGED TO PRICE CHIEF BOWLES BY HAHN--Lew Hahn, general manager of the National Retail Dry Goods Association, yesterday accused Price Administrator Chester Bowles of conducting a "malicious campaign of vilification and lies against retailers of this country." He declared that Mr. Bowles had undertaken the "campaign" because retail groups have had the "effrontery" to discuss price control with him.

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WHEAT STABILIZATION IN AUSTRALIA SOUGHT--The Commonwealth Government is submitting to the States a plan for stabilization of the wheat industry. As announced tonight by Prime Minister Joseph B. Chifley, the proposal calls for a guaranteed home consumption price of 5s 2d f.o.b. bagged for all wheat marketed in Australia, including grain for flour making and stock feed, and a similar guaranteed price a bushel for all fair average quality wheat exported during the season of 1945-46 to 1945-50.

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FOR FARM STRUCTURES--A development program which proposes low-cost barns, cribs and dairy, poultry and other buildings which may be quickly erected from fairly plentiful materials has been formulated after long-term research conducted at the University of Wisconsin through a grant by Carnegie-Illinois Steel Corporation, principal subsidiary of United States Steel Corporation, it was announced yesterday.

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From the New York Herald Tribune, Jan. 9-

FARMERS URGED TO AID U. S. DIET--A united effort by farmer groups to improve the diet of Americans in a race with industry and labor for "high public service" was urged today by a former president of the National Council of Farm Co-operatives. The objective was proposed by H. E. Babcock, of Ithaca, N.Y., editor of "The Co-operative Digest" and a founder of the Co-operative Grange League Federation Exchange.

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From the New York Wall Street Journal, Jan. 9 -

NOVEMBER BEET SUGAR DELIVERIES UP - Deliveries of beet sugar during November totaled 1,875,148 bags an increase of 2.97% over a year ago, according to the United States Beet Sugar Association. November distribution was generally lower throughout the beet marketing territory.....However, special shipment....of beet sugar into deficit areas in Ohio, Indiana, and Illinois brought the full figures for the month above the 1944 level.....

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WILSON & CO. Declaration of a 20 cent common dividend by Wilson & Co. the first authorized since 1937, reflects completion of a capital readjustment plan and a favorable level of earnings over the past few years.....

The threatened strike against meat packers, which would affect earnings adversely, is another factor that will have an important bearing on dividend policy.....

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PROF. SLICHTER ON O.P.A. - This newspaper regrets that it finds itself in sharp disagreement with even one statement of Prof. Sumner H. Slichter of Harvard. Time and again Prof. Slichter has made real contributions to a general understanding of the country's economic problems. He did so Monday evening....But his remarks included this one:

"It would be far better to keep the O.P.A. six months too long than to abolish it six months too early."

To begin with, he asserted that our current problem was slowness in the rise of production. We agree. He attributes that slowness chiefly to three factors: inadequate price ceilings, lack of materials and labor shortages. Again we agree, but has it not become apparent that many materials are short because of O.P.A. price ceilings?.....

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From the New York Journal of Commerce, Jan. 9 -

COTTON MILLS ASK CEILINGS REFLECT STAPLE PRICE RISE, Washington - Contending that Bankhead Amendment pricing provisions for cotton goods should be applied when raw cotton prices are above parity as at parity, cotton millmen were today told by the Office of Price Administration that it did not contemplate any such pricing method.

Instead of using the "net worth" formula under which each major cotton product is priced separately according to the terms of the Bankhead Amendment, OPA will supply its industry earnings standard in measuring the necessity for price increases in cotton goods because of higher raw cotton prices, officials told the group of millmen.....

Agreeing with OPA officials that no one had anticipated that raw cotton prices would rise above the parity level, if indeed they would rise that high, the millmen took the position that unless price ceilings are raised cotton fabrics production will decline, with resultant unemployment. The full market price for raw cotton should be considered by OPA for each major cotton goods item.....

(Turn to page 4 for other item from - - -
today's N.Y. Journal of Commerce.)

From the New York Journal of Commerce, Jan 9 (Cont) -

THE ACUTE BUTTER SHORTAGE, Editorial - Butter production, which has been declining since 1941, has dropped at an accelerated rate since the end of the war....

The rapid decline in butter production is due to the diversion of fluid milk to other uses that give a higher return to producers. During the war, limitations upon fluid milk sales and the use of butterfat to make ice cream helped to maintain the volume of fluid milk going into butter manufacture. But now that these restrictions are no longer in effect, sales of fluid milk, cream and ice cream have risen because these products are more profitable to dairy producers than is butter.

It was reported from Washington yesterday that Secretary of Agriculture Anderson favors a sharp increase in the price ceiling to stimulate the production of butter, as of other agricultural products in short supply. He is said to have recommended that the butter ceiling be raised 6c a pound on Feb. 1, and 6c more in each of the two succeeding months, making a total rise of 18 a pound....

The situation that has developed in butter is typical of what happens when ceiling prices for related products are out of line with each other. When direct production restrictions were removed, producers expanded output of the products yielding a higher return, and shortages were intensified in those that were unfavorably priced. Because any general price freeze is bound to produce such maladjustments, individual ceilings must be revised if consumers are to obtain anything like adequate supplies of essential products like butter....

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MARKETS - Export inquiries for flour numerous, but mill offerings restricted....Hogs active with prices steady to 15c higher.

Eastern iced chickens irregular...Heavy vegetable carryover...Ceilings prevail for strawberries...Supplies of some cheeses at lowest level of war period.....Some slight gain in butter production...Further weakening of egg prices....

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From the Kansas City Star, Jan. 6 -

MIDWEST INSTITUTE MAKES IMPORTANT DISCOVERY ON AMMONIUM NITRATE FOR FERTILIZER. - A problem that has stumped manufacturers from the beginning-- how to prepare ammonium nitrate crystals for fertilizer so that a farmer can spread the material with a drill--has been solved by scientists of the Midwest Research Institute....

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From the Davenport, Iowa Leader, Jan. 6 -

1945 BANNER YEAR FOR SOIL CONSERVATION, Des Moines - The year 1945 was a banner one for organization of soil conservation districts in Iowa. A record 15 were added, giving the state a total of 61 in 60 counties. Pottawattamie is the only county having two districts....Clyde Spry, state assistant secretary of agriculture, who is secretary to the soil conservation committee, predicted that Iowa probably would have a total of 75 districts by the end of 1946....

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From the Journal of Commerce, Jan. 7 -

PRICE DECONTROL PROBLEMS, Editorial--When the war ended, it was confidently believed in Washington that ceiling controls could be lifted from whole groups of important commodities over a period of several months. Price Administrator Chester Bowles predicted that most food and textile price ceilings would be ended by the spring of 1946.

Few major commodities have been withdrawn from ceiling controls to date, however, and it is doubtful whether really important additions to the list will be made by midyear, when the present Price Control Act expires.

It is feared that the lifting of controls would enable manufacturers of machinery and equipment to pay higher wages and higher prices for materials and parts not under price control that are also required for the manufacture of consumer's durable goods. Decontrol is thus tantamount to giving a priority to manufacturers of the products from which ceilings are lifted.

Another fear is that wider selective decontrol may lead to more "tied-in" sales. Such problems may discourage further selective withdrawals of price ceilings on a large scale and favor a policy of ending most remaining price controls simultaneously at a date when Congress feels that aggregate production of consumer goods has begun to catch up with the accumulated demand.

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From the Chicago Journal of Commerce, Jan. 5 -

OPA AND ORANGES, Editorial--Ceiling prices have been reimposed on citrus fruit by the Office of Price Administration, whose friends have taken delight in saying "I told you so." Take the ceilings off food, they argue, and the skyrocketing prices make reimposition of controls necessary. But under analysis this case of the planned economy advocates is less than convincing.

Prices did rise in November when oranges, lemons, grapefruit and the other citrus fruits were freed. But in some cases they also declined from the high point. In fact, smaller-sized grapefruit and less desirable oranges were selling under the old ceiling levels when the lid was clamped on again. The fancy giant varieties remained above OPA's idea of what was reasonable, but consumers who were willing to buy the other kinds got a bargain. The latter fact is not publicized by the control-everything group.

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From the Chicago Daily Tribune, Jan. 7 -

FLORIDA'S 90 MILLION BOX CITRUS CROP SETS RECORD--In 1930 Florida's citrus industry was scared because it faced the problem of handling a year's crop of 30 million boxes of fruit. This year it is worried over the thought of moving and processing a 90 million box crop, the biggest in the history of the state. In eight years experts forecast the industry will be biting its nails over a 150 million box fruit crop.

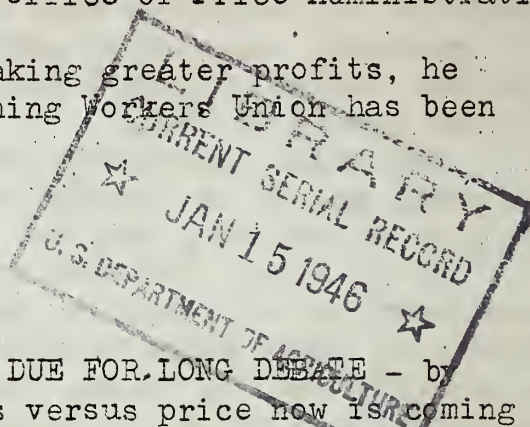
With California expecting a fruit crop amounting to 75 million boxes this year, Florida has stepped into the spot of being the leading citrus state of the union.

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From the Baltimore Sun, January 8 -

CEILING ON RAW COTTON OPPOSED BY SENATOR EASTLAND, Washington (AP) - Senator Eastland (D., Miss.) opposing any price ceiling on raw cotton, said today "farmers should certainly not be victimized by the Office of Price Administration to benefit the CIO unions."

Converters and finishers of cloth have been making greater profits, he said, and added "Sidney Hillman's Amalgamated Clothing Workers Union has been practically permitted to write its own ticket."



From the St. Paul, Minnesota, January 3 -

GOVERNMENT AID Vs. PRICES AS FARM INCOME PROP DUE FOR LONG DEBATE - by Alfred D. Stedman - - - The case of Payments versus price now is coming up for argument. The argument is between the country's agricultural economists in behalf of government payments and the farm organizations in behalf of government price supports as a means of maintaining farm income.....

The assumption is that the U. S. now is making a new postwar farm program, with maintenance of farm income as its central aim. That new program will define the role of the government toward agriculture for a long time to come.

The question is as to the nature of that role. What should be the foundation of the government's system of helping farmers? Should the keystone be government supports of prices, or should it be payments to supplement farm income from prices in case of need?

Backing payments are a majority of the country's agricultural economists.

Backing prices are the large farm organizations. They include the American Farm Bureau federation, the National Grange, the National Farmers Union, the National Cooperative Milk Producers federation, and others.

From the Milwaukee Journal, January 6 -

TALK CEILINGS TO AID BUTTER - Price 'In the Making' - In an effort to increase the supply of butter, an OPA ceiling price on heavy cream used in butter manufacturing is expected to be announced soon in Washington.

OPA officials here know that such an order is "in the making". Before it can become effective, however, it must be approved by the United States Department of Agriculture. It was expected a few days ago that the order would be announced Friday, but no word came through. No explanation is known here for the delay.

Secretary of Agriculture Clinton P. Anderson in Washington told The Journal that "such an order has been discussed for several months but so far no such order has come over here yet."

COTTON PRICE CEILINGS - Calls for Hearing - Americus, Ga. - (AP) - An Appeal for a hearing before the 1946 raw cotton crop is placed under price ceilings was voiced by Representative Pace (Dem. Ga.) Saturday. "It is hoped," Pace said, "That the price administrator will grant the cotton producers and their representatives an opportunity to be heard before any ceiling price is placed on the 1946 cotton crop."

(The newspapers and magazines from which these agricultural items are taken are on file in Press Service, Room 411-A. Phone Gene Harrison at 6212.)

From the New York Times, Jan. 10 -

BOWLES FIGHTS BUTTER RISE URGED BY ANOTHER OFFICIAL--A sharp contest between the Office of Price Administration and the Department of Agriculture broke out in the open today as price officials told their intentions of carrying to the highest authorities OPA opposition to a proposed increase in the prices of butter. Chester Bowles, Price Administrator, lined up his agency against Secretary Anderson with this statement to reporters.

"OPA is vigorously opposed to any price increase in butter."

According to published reports, Secretary Anderson proposed to John C. Collet, Stabilization Administrator in the Office of War Mobilization and Reconversion that the ceiling price of butter be raised 6 cents a pound by Feb. 1 and 12 cents more by the time the \$525,000,000 subsidy for dairy producers came to an end.

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MEAT RISE OFFERED TO AVERT A STRIKE--Edgar L. Warren, chief of the United States Conciliation Service, told Swift and Armour, the two largest packing house companies, today, that the Government would permit higher prices for meat to induce a settlement of the wage dispute and thereby avert a strike called for Wednesday by unions of the Congress of Industrial Organizations and the American Federation of Labor. He told reporters:

"In separate conferences with the companies we did indicate what the Government would be willing to do in trying to assist them to settle the dispute. We didn't get a definite answer from either of the companies." He said he hoped for an answer tomorrow.

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ALLIES IN DILEMMA ON FEEDING JAPAN--With the revelation that Korea, which normally exported annually to Japan between 35,000,000 and 54,000,000 bushels of rice, this year would almost certainly be able to ship nothing, squabbles among Allied officials over Japan's food supply here suddenly take on a grave aspect.

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USSR STILL ALOOF ON TRADE PARLEY--With Soviet Russia still not heard from a month after being invited with thirteen other countries to attend a preparatory meeting for an international trade conference, it seemed likely to officials here that the USSR would not take part.

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PRICE CEILINGS CUT IN EGGS AND POULTRY--Ceiling price reductions in eggs, poultry, fresh fruits and vegetables, effective in the five boroughs today, were announced yesterday by regional Office of Price Administration Leo F. Gentner.

(Turn to page 2 for other items in today's N.Y. Times.)

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From The New York Times, Jan. 10 -

BUTTER PRICE RISE SHARPLY ASSAILED--The plan for a further increase of 18 cents a pound in butter prices by April 1, recommended by the United States Department of Agriculture, was assailed yesterday by the city Department of Markets, housewives, consumer organizations, and a segment of the local butter trade.

Markets Commissioner M. Maldwin Fertig, describing the shortage of butter in this city as "particularly desperate," said the proposed price increase would not improve the local situation. In letters to Federal officials in Washington, Commissioner Fertig suggested instead that price ceilings be set on butterfat and that butterfat be allocated, which would result in more being used to make butter and less for heavy cream, ice cream and some other products.

The New York City Consumer Council, representing sixty-five organizations, denounced the proposed increase as exorbitant and said the entire price structure for milk products was out of joint and required revision without, however, increasing fluid milk prices.

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COTTON PRICES UP BY 5 TO 19 POINTS--With a diminishing volume of business, the cotton futures market on the New York Cotton Exchange rose yesterday 5 to 19 points, with distant months relatively stronger than near months. It opened with gains of 6 to 8 points and held steady all day. Mill demand was sufficient to absorb limited amounts of liquidation which came mostly in near months, reflecting the belief that Government offerings next week would ease the spot situation.

The Commodity Credit Corporation, New Orleans, announced the offering of 1943 pooled cotton, 1941 and 1942 stocks, and cotton acquired under the purchase program. Bids are to be opened 8 a.m. Jan. 14.

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UNDERTONE IS FIRM IN GRAIN MARKETS--Grain markets had a firm undertone today on the Board of Trade. May rye moved up $2\frac{1}{2}$ cents a bushel to the highest price in more than a month and closed about the top. Other rye futures were unchanged on July and $3\frac{1}{4}$ to $1\frac{1}{8}$ cents up on the distant months. Wheat was up $1\frac{1}{8}$ to $3\frac{3}{8}$ cents. Oats gained $5\frac{1}{8}$ to $7\frac{1}{8}$ cent, and barley $1\frac{1}{8}$ cent. Corn futures held unchanged as usual.

Talk of higher prices for steel, butter and meats and announcement that Senator Elmer Thomas would oppose an extension of the Price Control Act after June 30 furnished the basis for the buying. Brokers expressed the belief that if the Government permitted higher prices for some commodities, there was a possibility of higher ceilings on grains, although nothing in the news indicated such action. However, it was felt that the position of the farm bloc in Congress had been strengthened by the new developments.

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From the New York Herald Tribune, Jan. 10 -

BUTTER PRICE BOOST PROPOSAL EXPECTED TO INCREASE SCARCITY--What is left of New York's already scarce butter supply may melt from the market pending the outcome of recommendations of Clinton P. Anderson, Secretary of Agriculture, to increase ceiling prices up to 18 cents a pound, Alfred Rich, business manager of the Butter and Egg Merchants Association, said yesterday.

Highly critical of the advance notice given the secretary's recommendations that the pound price of butter be immediately increased, Mr. Rich said the announcement has thrown the market into "utter havoc."

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- 3 -

From the New York Wall Street Journal, Jan. 10.

BLACK MARKET BOOM - The black market, founded on wartime shortages, is blazing a spectacular peacetime career as wage-labor difficulties pinch off the flow of many products.....

The situation is "worse than at any time" during the war, says J. M. Bladkford, the Office of Price Administration's top enforcement officer in Portland, Ore. This opinion is echoed by an O.P.A. official in Philadelphia who finds that...the public in general feel less obligation to abide by price ceilings.....

In Oklahoma City, according to the O.P.A.'s Washington headquarters, a used car dealer recently sold a pick-up truck and a bird dog to a roofing company for \$900. Ceiling price for the truck: \$547. Later, the dealer offered to buy back the dog....for \$15....to get around rent ceilings are becoming increasingly costly--to prospective tenants. In Washington, a woman admitted last month that she felt no conscience twinge over offering to sublet her apartment on an applicant if he would pay \$1,500 for her \$300 of furniture. She said the applicant's New York firm should not object to recompensing him for the inflated price of the furniture. It would all come out of excess profits, she reasoned.

A Wall Street Journal survey of seven key cities across the country shows that such examples of the black market are typical....

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"CAMELS, PLEASE" is a request that tobacconists are still turning down across the country. Camel sales have increased so sharply since the war's end that R. J. Reynolds, the manufacturer, has been unable to keep up with them. These cigarettes are rapidly closing the sales lead among top brands opened up right after V-J Day by Lucky Strikes.

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TO HALT KENTUCKY TOBACCO SALES, Frankfort, Ky. - Upon unanimous request of Kentucky's house of representatives, Gov. Simeon Willis promised to stop all tobacco sales...either by requesting that warehouses close or, if necessary, by ordering them closed. Rep. J. Lee Moore, chairman of a committee which adopted a resolution asking a holiday because of falling prices reported the Governor promised he would take action as soon as he had consulted the state attorney general. The resolution declared that unless something were done about the slump in burley prices, "bloodshed and violence" may result.

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EIGHT CUBAN SUGAR MILLS GRINDING - Eight mills have started grinding the 1946 Cuban sugar crop, according to private advices from Havana. Last year 160 mills operated during the harvesting campaign.

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(Turn to page 4 for other items from the N. Y. Wall Street Journal Jan. 10)

Farm Digest 65-46-3

From the New York Wall. Street Journal, Jan. 10 (Cont.) -

BUTTER OUTPUT UP SHARPLY, Chicago - Creamery butter production for the week ending January 3, estimated at 16.1 million pounds, increased 11% from the previous week, the U. S. Department of Agriculture reports. This week's unusually sharp gain was caused by a combination of the following factors: Seasonally increased milk production, churning of some cream held over from the preceding week because of the Christmas holiday and less diversion of butterfat to other uses than in the previous week. Compared with the corresponding week a year earlier output was 24% lower.

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PROGRAM TO DEVELOP WESTERN STATES RESOURCES, Washington - The Bureau of Reclamation will spend \$140 million during 1946 in its program to develop the resources of the western states, according to Secretary of the Interior Harold L. Ickes. The program calls for work on 30 projects in 17 states. Secretary Ickes declared the program will pay dividends "far in excess of construction costs." He stated that the western rivers are "in many ways potentially the most valuable natural resource that we have."

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From the New York Journal of Commerce, Jan. -

WALLACE LAUNCHES BROAD DESCRIPTIVE LABELING DRIVE, Washington - Voluntary adoption by manufacturers of the practice of descriptive labeling will be urged by the Department of Commerce in a campaign to encourage commercial standardization and informative labeling. The campaign will...start when the department's Under-secretary, Alfred Schindler, addresses the Advertising Club of New York on Jan. 16.

The decision to embark upon a promotional drive to enlist manufacturers in support of this kind of labeling will set at rest fears which have been voiced in some quarters that Secretary Wallace might sponsor legislation making grade labeling compulsory....

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MARKETS - Eastern hog buyers cautious owing to impending packing house strike and prices dip as much as 35c at Chicago...Frozen chickens neglected.... Sweet potatoes lower....Apples firm, in light supply....Further shading in eggs in effort to keep heavier receipts cleared as closely as possible...Tendency to withhold butter offerings pending further clarification of ceiling moves... Uneasiness created by reports of increasing offers of nuts from out-of-town holders for resale.

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WHAT CUBA ASKS- Editorial - The war has demonstrated anew that Cuba occupies a very important place in the American economy, for we look to the Island for most of our sugar requirements in periods of emergency. Cuba co-operated by expanding production and making the bulk of her sugar available for export to the United States at a moderate price. It is to the interest of both countries that Cuba shall continue to look upon the United States as the primary market for her sugar output. To this end, some liberalization of the Cuban quota in the extension of the Sugar Act is desirable, as well as retention of the present sugar tariff preference in its present or an equivalent form.

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From The Journal of Commerce, Jan. 8 -

U. S. TO PREVENT PACKER STRIKE, FARMERS HOLD--The government will not allow a strike in the packing industry, was the belief of producers marketing livestock in Chicago yesterday, but they expressed the fear that, regardless of the outcome of the industry's wage dispute, the farmer would be the ultimate loser.

On the strike front, Lewis J. Clark, president of the United Packinghouse Workers of America, CIO, announced that Armour and Company, one of the four major packers against whom the Jan. 16 walkout is aimed, had refused to allow representatives of leading farm organizations to listen in on wage parleys.

He charged the refusal was "a deliberate attempt to prevent the farmers from learning the facts of the dispute with which they are so vitally concerned."

Armour refused to comment on the union's announcement.

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FARMS CALLED BEST AIR CARGO SOURCE--"It is in the field of agricultural products that the most promising development of air cargo is to be found." Eugene E. Wilson, chairman of the Aircraft Industries Association and vice chairman of United Aircraft Corp., told the National Council of Farmers Co-operatives convention in Chicago last night. He predicted that co-operation between aviation and agriculture could bring about a 10-cent a ton-mile rate that would enable fruit and vegetable growers to ship their products profitably by air.

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From New Jersey Farm and Garden, Jan.

BETTER LIVING CONDITIONS FOR FARM WORKERS--By Willard H. Allen--New Jersey farmers can do much more than they have done in the past to attract and hold farm labor. So far, very little has been attempted, except through the payment of higher wages than prevail on farms in nearby states.

Several outstanding examples of what might be done to make rural employment more attractive can be cited. Much credit is due to those farmers' wives who have been successful in inducing their husbands to modernize their homes. In fact, their city cousins now envy the homes and surroundings in which many New Jersey farm families live today. The farm labor situation is a real challenge to our rural people, but it can be solved. We all know of individual farmers who have been successful in meeting their own particular problems. In most instances, it is a case of making working and living conditions so attractive that employees are reluctant to leave.

To date, government agencies have been of little assistance in solving the farm labor problem. The importation of inefficient foreign labor provides only temporary relief. Perhaps it would be worthwhile for the government to encourage yes, even subsidize, rural housing for farm labor on the same basis as the great city housing projects.

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OVER-PUBLICIZED INSECTICIDE--DDT, the one-time wonder remedy for all bad bugs is being rapidly scaled down to size. It cannot be used indiscriminately without a serious risk of damage. It is a good bug killer and as such will take its place among other insecticides. One reason for using care in applying DDT is its destruction of "good" bugs, those parasites that get little recognition but actually maintain balance in the insect world. Without these insect problems would be immeasurably increased. It is far wiser to work with nature to stabilize insect life than to try to do the pretty hopeless job of running things with insecticides alone. We thought once we could do that with DDT--now we know better.

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From the Western Livestock Journal, Jan. 1 -

PRODUCTION SUBSIDIES AND PRICE CEILINGS-Editorial--One of the big troubles which face all people engaged in livestock agriculture is the question as to what the government will do about removing production subsidies, and what will be done about price ceilings. There seems to be strong probability that cash subsidies to dairymen will be discontinued after the first quarter of 1946, and that price ceilings on milk and dairy products will either be removed entirely, or raised to allow for removal of subsidies. Stockmen generally say they want cash subsidies removed on schedule June 30, PROVIDING ceilings on livestock and meats are removed. Biggest hope expressed by stockmen generally is for less government regulation in their business, and the end of strikes in industry.

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From The Chicago Dairy Tribune, Jan. 8 -

ENCOURAGING SHORTAGE-Editorial--The OPA has decreed that ceiling prices are to be imposed upon reclaimed lumber. This is a characteristic piece of OPA idiocy which will aggravate the already serious lumber shortage, which is preventing new building. New lumber is in extremely short supply, one of the reasons being that, altho OPA set ceilings for lumber in the domestic market, it set none on lumber for export, thus enabling foreign purchasers to outbid users in this country. With new lumber scarce, every means should be used to promote the reclamation of used lumber. The prospect of sufficient profits would stimulate wrecking and the extraction of nails, bolts, and other foreign material from the reclaimed lumber. With the imposition of ceilings, salvaging will be discouraged and we shall have a shortage not only of new lumber but of old.

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From The Times-Picayune, Jan. 5 -

MOLASSES MADE FROM LATE CANE--The 1945 sugar cane harvest is near its end with the cane deteriorating fast and the acidity higher than the sucrose content. The cane now being harvested is being run through the mills principally to get it out of the way. Molasses is being manufactured instead of sugar.

The Evan Hall Cooperative, biggest mill in this area, will finish its season some time next week. The mill expects to grind approximately 172,000 tons. With more favorable conditions during the past few weeks the mill may have ground 180,000 tons.

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From The Southern Maryland Times, Jan. 4 -

Farming authorities are busy these cold winter days making predictions on the farm labor situation which are far from rosy.

Predictions range in gloom from the authority who predicted "the severest labor shortage Southern Maryland has ever seen" to those comparative optimists who say, "it will be just as bad as last year." Everyone agrees, however, on one point: The situation will certainly be no improvement over 1945.

The greatest disappointment to farmers and those interested in the farm outlook is the failure of the hoped-for back-to-the-farm movement. They declare that ex-servicemen and men who worked in the large Government industries of Southern Maryland are not returning to the grass roots. They are either "shopping around" for higher-paid jobs, or in the case of the industrial workers, are leaving Government plants for smaller local industries.

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(The newspapers and magazines from which these agricultural items are taken are on file in Press Service Room 411-A. Phone Gene Harrison at 6212.)

From The New York Times, Jan. 11 -

2 PACKERS REJECT PRICE RISE OFFER - Chicago - The Government's effort to avert a meat workers' strike Wednesday by offering to pay packers higher prices for the meat it buys proved unavailing today.

The largest packing house companies, Swift and Armour, rejected the proposal, and Edward L. Warren, director of the United States Conciliation Service, acknowledged that the situation at the moment looked "very bad."

Under the proposal, the Government would pay 50 cents a hundredweight above present prices for meat purchased for the military and for overseas relief. Retail meat prices would not be increased.

Swift & Co. said that this was "inadequate and impractical" in that it would finance a wage increase of only one and a half cents an hour.

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JAPAN ANTICIPATES COMING FOOD CRISIS - Tokyo - Japanese officials since Christmas have made two moves to combat the impending food crisis. The Tokyo police struck against illegal food vendors, rounding up 423.

Commerce Minister Sankuro Ogasawara made a statement that the latest headquarters refusal to remove certain items from the ration list means that controls will continue, but he made it clear that this did not mean that the present inadequate prices must remain anchored. Indirectly this serves notice that the Government is planning to boost prices, possibly using subsidies to prevent too great a shock to consumers.

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U. S. WHEAT DELIVERIES TO FRENCH TOP QUANTAS - Paris - Ambassador Jefferson Caffery, in a statement issued here today, indicated that shipments of wheat to France and to French North Africa had exceeded the amounts that the French Government had requested in July.

The statement was issued in response to inquiries after officials here had declared that the food crisis was owing in part to the fact that imports from the United States and Canada had fallen below the amounts "expected."

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MEAT WAGES AND SUBSIDIES - Editorial - In order to meet the higher wages demanded by workers in meat-packing plants, some price increases apparently will be required. This price relief can be granted in one of two ways and apparently both are being considered. The first is to increase the price of meats to all consumers, Government and civilian alike. The second is to increase the price only for Government purchases for military use and for overseas relief. A higher price which is paid only by the Government will be in effect a new subsidy the fact that wage increases will require higher prices. This proposal would establish a dangerous precedent. High wages to the worker and low prices to the consumer by means of subsidies would create a politician's paradise. Such a practice would also obscure from the public the full significance of the wage increases that are paid. The consumer would have to pay as a taxpayer the increased cost that he is not called upon to pay as a consumer. Instead of reducing the pressures for inflation, such an action would accelerate them.

(Turn to page 2 for other items in today's N.Y. Times)

Farm Digest 75-46

From The New York Times, Jan. 11 - (Cont.) -

MAY RYE CLOSES WITH 7/8 CENT LOSS - Chicago - Grain traders were inclined to place a bullish construction on an estimate by the Department of Agriculture of farm reserves of wheat, corn, rye and barley as of Jan. 1, issued today after the close of the Board of Trade here. The disappearance of the four grains so far this season has been heavy, the percentage of the corn crop used during the last three months being well above normal. Brokers said the figures suggest that about 15,000,000 bushels of rye are left in this country to last six months, compared with 25,000,000 bushels for the same period last year.

May rye advanced 2-5/8 cents a bushel at the opening of trading today on the Board of Trade, selling at the highest price since late last November, only to break sharply later on heavy selling attributed to professional traders and commission houses and at the inside prices were down 4-1/2 cents from the early top. A rally came in the late trading and the close showed a net loss of 7/8 cent.

Government purchases of wheat flour yesterday are estimated at 1,000,000 sacks, but trade in wheat futures today was light. There were no transactions in May, while the new crop months were unchanged to 1/4 cent up.

Although purchases of cash corn for deferred shipment from the country aggregated 105,000 bushels, buyers intimated that a considerable part of the business was in the way of barter agreements. An advance in Argentine corn to \$1.22 a bushel for June shipment is regarded as virtually eliminating any prospect of imports from that country as the ceiling on grain is \$1.25.

Local operators were on the selling side of oats, but the close was unchanged to 3/8 cent lower. Barley finished 1/8 to 7/8 cent higher.

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PRICES FOR COTTON CLOSE IRREGULAR - With only a moderate volume of business done, the cotton futures market on the New York Cotton Exchange closed yesterday 5 points higher to 2 points lower than on Wednesday. It started with gains of 2 to 5 points and held steady most of the day and eased slightly late under selling by New Orleans brokers and by the commission houses taking profits. In the early trading, March and May, 1947, contracts established new highs for the deliveries.

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COMMODITY PRICES DROP 0.2% IN WEEK - Washington - Lower prices for fresh fruits and vegetables in the week ended Jan. 5, 1946, were chiefly responsible for a decline of 0.2 percent in primary market prices from last week's high. At 106.8 percent of the 1926 average, the index of commodity prices prepared by the Bureau of Labor Statistics, United States Department of Labor, was 0.3 percent higher than a month ago and 2.1 percent above early January, 1945.

Average prices of farm products dropped 1.1 percent in the week. Among the fresh fruits and vegetables, citrus fruit and quotations were down sharply with increased supplies, as shippers anticipated the restoration of Office of Price Administration price ceilings. White potatoes, sweet potatoes and onions increased in price, reflecting seasonal movements and light supplies.

The price decreases for fresh fruits and vegetables caused a decline of 1.4 percent in primary market prices for foods.

* * *

From the New York Wall Street Journal, Jan. 11 -

PRICE RUNAWAY, Washington - Administration officials who seek to fight inflation by a tight rein on prices and wages are taking a licking. Supporters of O.P.A.'s embattled Chester Bowles haven't quit fighting, but some say the cost of living could spiral right out of their hands. They point to three situations.....

1. The White House scheme to induce a steel wage rise by pusing steel prices up perhaps \$4 a ton can be "highly inflationary."
2. Food prices are tugging upward. Some key officials are hurling the epithet, "inflationist," at Agriculture Secretary Anderson.....
3. The Federal "fact-finders" for the dispute between General Motors and the United Auto Workers-C.I.O. came out yesterday with a recommendation that wages be hiked 17½%...A 17½% pay increase pattern applied to industry generally would certainly necessitate multitudinous price adjustments.....

- - -

ANDERSON VS BOWLES-Editorial - That Secretary of Agriculture Anderson should propose a rise in the ceiling price for butter of as much as 18 cents a pound....No wonder Price Administrator Bowles is shocked and indignant. Ordinary folk, seeing the government stabilizers unable to stabilize themselves, are left confused and more than a little disgusted....

But this toe-to-toe slugging match...should tell the bewildered public a good deal about what is happening to reconversion. The allowed price for butter has been held low enough to divert cream into other products offering a better chance to make a profit. It is obvious now that price control over milk, cream and products thereof has been unintelligent. Weighing the arguments of the Department of Agriculture against those of the O.P.A., one can only conclude that it is a price control that has caused an acute butter scarcity and that if reasonable and commercially related prices for milk products had been allowed when they should have been, Secretary Anderson would have had no occasion to demand 18 cents a pound more for butter.

A stupid stabilization policy, based on the assumption that final selling prices can be frozen without effectively freezing costs, can have no better result than scarcity of goods and exorbitant actual prices. Add to that false policy all the encouragement which government officials have given wage workers to demand large wage increases in advance of full production volume and you naturally have the present disruption of the whole national economy. But the case is far from hopeless so long as Mr. Anderson and Mr. Bowles trade body blows. Just who the referee is we do not know. But his decision must be near.

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MONEY IN CIRCULATION DECLINES - Money in circulation declined \$194 million during the week ended January 9, according to the weekly Federal Reserve Bank statistics. The drop was the largest in any week since March 29, 1933, after the banks reopened following the bank holiday. It followed a return flow of \$158 million in the week ended January 2, counter-seasonal movement. The drop...contributed to a generally easier money situation. It induced member banks to buy back Government securities from the Reserve System, reduce borrowings and was a major influence in moving the reserve ratio three points higher to 42.2%.

Excess reserves of all member banks declined \$150 million during the week to \$1,330 million. The recession was not due to pressure for funds but rather to a desire on the part of banks to employ more of their surplus.....

(Turn to page 4 for other items from today's New York Wall Street Journal) - - -

Farm Digest 75-46-3

From the New York Wall Street Journal, Jan. 11 (Cont.) -

COFFEE FUTURES TRADING MAY BE RESUMED IN 1946 - Expectation that trading in coffee futures will be resumed some time this year was expressed in the annual report of the Board of Managers of the New York Coffee & Sugar Exchange. The report was delivered by Ody H. Lamborn, president, at the annual Exchange meeting. "As to sugar," the report stated, "a prediction cannot be made until our Government clarifies its policy.".....

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From the New York Journal of Commerce, Jan. 11-

SHARP CURTAILMENT LOOMS FOR CORN REFINING INDUSTRY - Despite the harvesting of a bumper corn crop of more than 3,000,000,000 bushels last fall, refining plants face curtailment of operations with impending shortages of corn-steep liquor for penicillin production, starch for the textile industry, sizing for the paper industry, commercial sweeteners, adhesives and other materials.

At least two plants were shut down this week as a result of running out of corn, and Corn Products Refining Co., the largest factor in the industry, revealed yesterday that it is curtailing production this week for lack of corn.....

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FARMERS PURCHASING POWER IN 1946 - The Department of Agriculture has predicted that the cash income of American farmers this year may fall 10 per cent below the record total of 1945.....

Nevertheless, as in the case with wage earners, a decline in farm income will not bring a contraction in consumption. Rather, the opposite will be the case. There is every indication that farmers will buy more this year than last, even though current incomes are smaller.....

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COFFEE IMPORTS SHARPLY LOWER - Coffee imports for the first three months of the crop year, October through December, are 1,120,000 bags behind a year ago, latest figures reveal.

To some extent the smaller exports reflect disapproval at the size of the subsidy being paid by the United States for coffee.....

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COUNCIL OPPOSES COTTON CEILING, Memphis, Tenn. - Proposed price ceilings on raw cotton would completely disrupt the cotton marketing system, "with consequent injury to every branch of the raw cotton industry," Oscar Johnston, president of the National Cotton Council, today declared in voicing the council's opposition to the ceilings in a telegram to OPA Administrator Chester Bowles.

Mr. Johnston said the council viewed with disfavor the abandonment of the present cotton price stabilization program merely because "the price of cotton has advanced slightly above parity for a short period of time".

He added that the stabilization program had worked for the past three and a half years, and contended the present system is the only sound means of stabilizing the price of cotton.....

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From The Baltimore Sun, Jan. 10 -

LARGER TOBACCO ACREAGE URGED--Recommending an increase to 50,000 acres in Maryland's 1946 tobacco planting, compared with 38,500 acres harvested last year, Dr. T. B. Symons, director of the extension service of the University of Maryland yesterday called on growers of Southern Maryland counties "to grasp a golden opportunity."

Addressing the annual meeting of the Maryland Tobacco Growers of the Maryland Tobacco Growers Association Dr. Symons declared "no other phase of farm activity or industry faces such a bright future as Maryland tobacco growing."

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COTTON IS THE HORRIBLE EXAMPLE-Editorial--As everybody knows, American cotton has for long been a sick farm crop. This was because the cotton farmers had lost their incentive to adapt themselves in changing economic conditions and competition from foreign cotton and domestic synthetic fibers.

They had lost the incentive because they were strong in Congress. The cotton sector of the congressional farm bloc has now double-riveted on the Treasury a system by which cotton is kept going not by economic adjustments meeting the new competition, but simply by floating the unsound status quo in bigger and bigger waves of Treasury subsidies. As the subsidies pour out, the cotton farmers lose interest in adjusting to the new competition. But as they lose interest in adjusting, the new competition increases. The result is a deadly merry-go-round which costs the country dearly.

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From The New York Herald Tribune, Jan. 10 -

BUTTER-Editorial--Clinton P. Anderson, Secretary of Agriculture has recommended that butter prices be raised six cents a pound Feb. 1 and another 12 cents May 1. The wholesale price of butter at present is 47½ cents and it is retailing here, when it can be bought at all, at 51 and 52 cents a pound. Everything else being equal, therefore, the proposed increase of 18 cents would mean retail prices of 69 to 70 cents a pound.

The situation with reference to butter offers an interesting illustration of the problem of maintaining a balanced price structure by conscious direction and control as contrasted with the free market...

The unbalance between demand and supply in butter is additionally complicated by the fact that people have more money to spend than ever before and are willing to pay big premiums for this staple that has suddenly become a luxury. Much of the present subnormal supply of butter is apparently finding an outlet in the black market, where it is reported to be bringing 80 to 90 cents a pound. Under these circumstances proposals to raise ceiling prices in order to increase production become at least understandable. Seventy-cent butter that is obtainable is certainly preferable to 52-cent butter that you can't get.

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From The Chicago Journal of Commerce, Jan. 9 -

SUGAR EASING EXPECTED AFTER 2 MORE MONTHS--While trade sources admit in the next two months the sugar situation will be as critical as at any time during the war, an optimistic attitude prevails that supplies will gradually ease after March 1, becoming fairly plentiful in the final quarter.

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From The Chicago Journal of Commerce, Jan. 9 -

MEAT STRIKE ISSUES-Editorial--The issues in the meat packing wage dispute are fairly simple. The workers are seeking a wage increase of 25 cents an hour from an industry which must of necessity operate on a narrow margin and are pressing their demand in the face of Secretary of Agriculture Anderson's warning that higher retail prices will be necessary if the demand is granted.

But, as usual, the union--the CIO Packinghouse Workers--is attempting to confuse the issues. Lewis J. Clark, union president, wants representatives of leading farm organizations to sit in on the negotiations and charges that the packers' refusal to admit outsiders is "a deliberate attempt to prevent the farmers from learning the facts of the dispute which they are so vitally concerned."

The farmers know, that the CIO workers and AFL members are planning to tie up the outlets for livestock a week hence. The farmers know that the walkout would leave on their hands stock which is at its prime and would deplete already tight feed supplies.

The farmers also know that if the union members would continue to work for a reasonable wage, killing the hogs and cattle that the feeders have ready for market, the farmers will continue to sell and the public will continue to eat meat. Mr. Clark's attempt to place upon the company the blame for the farmers' predicament is typical of COP leadership.

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From the Commercial Appeal, Memphis, Tenn., Jan. 8 -

COTTON MEN TO FIGHT CEILINGS ON '46 CROP--Front Street seethed and boiled yesterday as members of the Trade discussed and denounced the proposal of the Office of Price Administration that ceiling prices be placed on the 1946 cotton crop.

A meeting of the Board of Directors of the Memphis Cotton Exchange laid plans for future action and the appointment of a committee and a statement expressing the opinion of the exchange is due soon. It will set out the policy to be followed by the committee.

In other Southern cities similar meetings and similar discussions took place, with the general opinion being that the proposal will be fought by all cotton interests with the exception of the mills, which, it is said, are responsible for the proposal that ceilings be imposed.

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From the Raleigh News and Observer, Jan. 8 -

MANN PROTESTS COTTON PRICE TOP--Declaring that the cotton farmer and the cotton mills which produce the cloth are not responsible for the higher prices of cotton-made goods. M. G. Mann, general manager of the North Carolina Cotton Growers Cooperative Association, appealed to OPA Chief Chester Bowles yesterday "not to put a ceiling price on raw cotton."

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From Butchers' Advocate, Jan. 2 -

DR. F. G. BOUDREAU URGES WORLD FOOD PLAN--Dr. Frank G. Boudreau, director of the Milbank Memorial Fund, told a recent meeting of the New York Academy of Sciences at the Hotel Astor that lasting peace and prosperity depended upon international cooperation in world food planning. He said that the United Nations were attempting to continue their wartime food planning through the United Nations Relief and Rehabilitation Administration and the Food and Agricultural Organization.

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U. S. DEPARTMENT OF AGRICULTURE

DAILY FARM NEWS DIGEST
(For January 14, 1946)

U. S. DEPARTMENT OF AGRICULTURE
OFFICE OF INFORMATION
Washington 25, D.C.

(The newspapers and magazines from which agricultural items are taken are on file in Press Service, Room 411-A. Phone Gene Harrison at 6212.)

From the New York Times, Jan. 14 -

WEIGHT NEW OFFER ON PACKING WAGE--With the threatened packing house strike set for Wednesday, representatives of three Federal agencies began today a series of conferences that seemed to center on some new proposal from Washington to both the packers and CIO and AFL unions.

Because the packers rejected last week an earlier suggestion that they receive an increase of 50 cents a hundredweight of meat sold to the Government, it was presumed that a new way for them to meet a wage increase was put forward today.

The only comment from Edgar L. Warren, director of the Federal Conciliation Service, was: "There is nothing to say."

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EMBARGOES PUT ON LIVESTOCK--As the deadline of the packing strike drew nearer, the Cudahy Brothers Company of Cudahy, Wis., placed an embargo on shipments to its stockyards effective tomorrow. Milwaukee stockyards announced an embargo on shipments last Friday. St. Paul packers also ordered an embargo. In Chicago, commission firms advised shippers to hold back livestock supplies.

The livestock market in Evansville, Ind., was closed yesterday because the threatened strike left only three small houses, unaffected by the proposed walkout, as prospective buyers. Officials said the market was too small to maintain sales.

At Lafayette, Ind., Paul Mitchell, Purdue University marketing specialist, said that purchases of livestock had ceased at many packing plants.

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TEXTILE STRIKE VOTE SET IN NEW ENGLAND--Strike votes among 55,000 textile workers in about one hundred woolen and worsted mills will be taken this month, John Chupka, a director of the Textile Workers of America, CIO, said today.

Any walkout, however, will not be called before Feb. 1, when contracts expire. The union has sought an increase of 15 cents, a minimum of 75 cents an hour, union shops, holidays with pay and other demands.

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ANDERSON DEFENDS 6c RISE IN BUTTER--A six-cent increase in the price of butter to the consumer will not drive a wedge in the Administration's battle to combat inflation, Clinton P. Anderson, Secretary of Agriculture said yesterday.

On a brief visit to his home State, Mr. Anderson said in an interview that he suggested the increase "to restore the normal ratio between cheese, whipping cream and butter." He added:

"I would not have suggested the increase if I thought inflation would result."
(Turn to page 2 for other items in today's New York Times.)

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HOUSEWIVES URGED TO COMBAT PROPOSED RISE IN MILK COST--Organization of a housewives' protest against proposed milk price increases was started yesterday by the New York City Consumer Council. The council called upon its sixty-five affiliated groups to send representatives to a public hearing on Thursday at Brooklyn and register opposition to the proposal by the Federal and State Departments of Agriculture to increase milk prices three cents a quart.

"Cracking the price of milk in New York is a major objective of the inflationary farm bloc," said Mildred A. Gutwillig, council chairman. "It is within our power to prevent opening the flood gates of inflation."

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PURPLE HEART ORDER TO PUT WOUNDED TO WORK RAISING CHICKENS--Members of the military Order of the Purple Heart has decided, after interviewing scores of combat veterans, that deep down in the heart of most of them is a desire "to get away from it all" and raise chickens. So they plan to give wounded veterans an opportunity to get in the chicken-raising business on a wholesale, country-wide scale.

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GRAIN TRADING IN CHICAGO--Enlargement in trading in rye, largely in the May delivery, failed to increase the daily turnover last week on the Board of Trade. Sales of all grain futures aggregated 78,238,000 bushels or a daily average of 13,000,000 which compared with 14,800,000 bushels the previous week and 23,200,000 a year ago. Outside interest in wheat decreased, and trading in corn was virtually nonexistent.

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LARD OUTPUT INCREASE BUILDS UP RESERVES SUFFICIENT TO OUTLAST BEEF MEAT STRIKE--Large receipts of hogs recently have resulted in increased output of lard, but the threatened strike of stockyards workers slowed up the movement late last week, and if a strike should continue for a week for more the stock of lard that has accumulated in the last few weeks would be drastically reduced. However, packers say there are sufficient fats on hand and in transit to prevent any hardship, although some large users may be forced to draw on their reserves for a time.

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WHEAT SELLS FAST IN CASH MARKET--Cash wheat in this country has disappeared at a much more rapid rate than last year as the result of a broad export movement, supplemented by heavy use by mills, distillers and other large users of that grain.

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CASH CORN IS DWINDLING--Disappearance of cash corn on farms during the first quarter of the current crop-year was about the largest on record, and supplies available for the balance of the season are the smallest since 1938. Stocks on farms plus the commercial visible supply aggregated 1,943,00,000 bushels, or 192,000,000 less than a year ago, and it is admitted officially now that actual corn will remain scarce until a new crop is harvested next fall.

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From The New York Journal of Commerce, Jan. 14 -

OPA FACES CRITICAL TEST - Washington - The toughest phase in OPA's career is just starting. Top price officials admit that the rise in the general price level this year will be sharper than during each of the three preceding years due to the increased pressure of advancing production costs. Some of them say, as private guesses, it may reach 5 percent by the end of the year, as against 3 percent last year. However, this realistic appraisal of current trends does not mean that OPA is throwing in the towel in the battle for holding-the-line. To the contrary, OPA officials are dead serious in stating that their efforts to prevent a price bulge will be doubled in the period ahead.

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HIGH COSTS HINDER CIGARETTE MAKERS - Recession of prices in Kentucky's burley tobacco market has hardly changed the outlook for costs of the leading cigarette manufacturers, a survey by The Journal of Commerce disclosed over the weekend. Authoritative opinion in the trade still finds an increase in cigarette prices necessary to restore profit margins squeezed by wartime inflation of costs.

The sharp rise in prices when war started caused the flue-cured tobacco market to close at that time. Now that prices are readjusting to lower levels, there is resistance on the part of growers...

Unless cigarette manufacturers obtain relief of a price rise...it is feared that high cost inventories and other expanding cost factors, including more competitive advertising than during the war, will prevent companies such as American Tobacco Co., Reynolds Tobacco Co., Philip Morris & Co. Ltd., Inc., and P. Lorillard Co. from reflecting the full benefit of peacetime conditions. According to financial analysts, the minimum working increase in cigarette prices should be 50 cents per thousand, which is equivalent to a rise of one cent a pack.

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INTENSIFIED RICE SHORTAGE FEARED - Excessive allocations of United States rice for relief shipment abroad, coupled with extensive damage to the past season's crop, have intensified the shortage position in the domestic market to the danger point, industry spokesmen charged at the week-end, in revealing increased pressure on Washington for a modification of the set-aside program. The supply problem has been aggravated by the fact that the Government set-aside order calls for the better grades of rice. Particular concern was expressed in industry circles over the reported allocation of 1,500,000 tons of rice by the Siamese Government to the British Government, rather than to the Combined Food Board.

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COTTON MARKET UP - The cotton market closed in a confident tone Saturday on the New York Cotton Exchange on the prevailing belief that although a ceiling on cotton will be announced by the OPA this week, it will not win Congressional approval due to mounting opposition from the South. Liquidation following announcement by Chester Bowles that ceiling price would be established on the 1946 cotton crop depressed values nearly \$2 a bale as the market opened on Monday until criticism developed pointing to the utterly impractical and unworkable aspect of the proposal, with the result that prices firmed and the market resumed a cautious advance....

(Turn to page 4 for other items in today's N. Y. Journal of Commerce)

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From The New York Journal of Commerce, Jan. 14, (Cont.)

LINSEED OIL - The United States Government is reported to have purchased three cargoes of flaxseed in Argentina for January shipment but only a single cargo amounting to about 340,000 bushels will be made available to domestic crushers. This amount will fall far short of our requirements, it is pointed out, some crushers estimating our requirements at a minimum of about a million bushels a month. Unless there is an early change in the linseed oil position many paint manufacturers may possibly be forced to curtail or discontinue production.

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JAPANESE 6-YEAR SILK PLAN BEGUN - Tokyo - Anticipating a gradual revival of Japan's export trade in silk, the governments of the prefectures have taken under consideration in recent weeks the problem of expanding cocoon production.

Miyagi Prefecture has undertaken a six-year plan...aimed at re-establishment of the filatures and an increase in mulberry production. Present mulberry acreage is placed at approximately 5,000 chobu, about one-third of prewar plantings. As a result, this year's cocoon yields showed the greatest drop in the Prefecture's history to 487,000 kan. The six-year plan calls for an acreage increase of 26 percent.

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SUGAR IMPORT LAG FEARED - Unless early action is taken by Congress giving CCC authority to pay subsidies on 1946 crops, sugar imports in the United States may be affected. Already refined sugar importations which currently are needed badly to supplement limited available refiners supplies have been cut off, and it is feared that raw sugar imports may be hit if Congress delays. Manufacturers of food products requiring sugar are already concerned over their prospects for January and February....

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COFFEE IMPORTS IN '45 SET RECORD - Coffee imports for the calendar year 1945, according to final figures compiled from official Bureau of Customs figures, is a gain of 4.9 percent and the highest on record. At the week-end the market was quiet. With the Government announcing that to Jan. 9, 72 percent of the 6,000,000 bags of subsidy coffee sold and the trade estimating that another 10 to 15 percent has been effected but not yet reported, it is understandable that quiet conditions will prevail for a time.

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MARKETS - Government and export demand for flour continues active but mill offerings small owing to cash wheat tightness...Hog trade slow, prices steady...Heavy turkeys gain strength on strike prospects...Tomatoes selling well...Avocados stronger...Small demand for most dried fruits except raisins and prunes.

- - -

TOP QUALITY BEEF DEMAND DOUBLED - Denver - Even when compared to the record set in 1945 when 22,000,000 head of beef cattle were slaughtered, there is a definite annual post-war demand for more than twice as much corn-fed top quality animals. This was the outlook described at the week-end by T. A. Connors of Chicago, head of the national meat department of the Great Atlantic & Pacific Tea Co., in an address presented here to members of the American National Live Stock Association.

* * *

Farm Digest 85-46-4

From The Memphis Commercial Appeal, Jan. 6 -

COTTON GROWERS' HOPE - Editorial - Secretary of Agriculture Clinton P. Anderson spoke words of wisdom for the entire Cotton South when he recently addressed a farm group at Raleigh, N. C. Mr. Anderson declared that the only real hope for the South's cotton growers lies in the chance of producing better cotton more efficiently. He was emphatic, too, in saying that Southern cotton must meet all competitors without resort to Government subsidy or other artificial aids if it is to continue to be a major factor in Southern economy.

A well-known Tennessee educator used to say to his classes: "I am now telling you this for the 20th time, and the reason is because 19 times has not been enough." Something of that same reasoning may apply to the Secretary of Agriculture's statement, and it gains urgency as time passes and competing fibers make steady inroads on the markets that were once almost exclusively dedicated to Southern cotton. It is true that forward looking Southern planters have mapped a progressive program for doing just what Mr. Anderson proposes, but it may be argued aptly that the measure of awareness in the Cotton Belt is still inadequate.

* * *

From The Watertown Daily Times, Jan. 4 -

FARM SECURITY REFORM - Editorial - We have always favored the Farm Security Administration and readers of this newspaper will recall that we have spoken out in its favor on numerous occasions when it was being attacked by reactionary farm lobbies. No agency in this country has done more to help the small farmer than has the Farm Security Administration and none can do more to aid the veteran establishing himself on a farm of his own.

To do this, however, the amendments which Senator Bankhead has introduced should become a part of the law. These amendments would make it possible to make loans for the enlargement of existing farms in order to permit a decent livelihood for their owners. They would permit farm development loans, raise the current ceiling on rehabilitation and production loans and permit farm loans to disabled veterans.

* * *

From The Memphis Commercial Appeal, Jan. 6 -

USDA CRACKS AT RED TAPE - (Book Review) - Citizens who live in the Deep South may recall hot August day at Stoneville when Henry A. Wallace, then Secretary of Agriculture decreed the "plow up" program. Now citizens may read with a new feeling of hope and confidence the story of reorganization and re-conversion and of the work of a new secretary, Clinton P. Anderson, who proposes to consolidate the old deal and in a not too distant day to make a better world for agriculture.

USDA is the story of the greatest peacetime department of our Government, of the huge scope and reach of the department which spends a billion dollars a year for the promotion of agriculture. The job of this department is to see that agriculture keeps 140,000,000 Americans well fed, and to protect the interests of 30,000,000 agricultural workers. What Secretary Anderson plans to do is effectively set forth in this story of reorganization. As Mr. Dearing points out, "we may hope to find the needle of prosperity in the haystack of surpluses, shortages, droughts and crop failures." What Secretary Anderson will be able to do remains to be seen.

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Farm Digest 85-46-5

- 4 -

From the Memphis Commercial Appeal, Jan. 6 -

BACK TO FARM TREND HELD TO BE IN ERROR (Book Review) - New York - An excess of manpower that tends in peacetime to back up on the farm and farm income instability are named as the central factors in the agriculture problems facing the Nation, in a study by Theodore W. Schultz, professor of agricultural economics in the University of Chicago. The study "Agriculture in an Unstable Economy," prepared for the Committee for Economic Development Research Division, has just been published by the McGraw-Hill Book Co.

Solving of these two problems would, according to Schultz, put us on the highway to farm prosperity. Efforts to restrict farm output or to legislate farm prices offer no solution, he states....

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From the Kansas City Star, Jan. 7 -

FERTILIZER FROM A WAR PLANT PROMISES FERTILE SOIL FOR WEST - Nitrogen, the stuff that puts the bang in explosives, that constitutes four-fifths of the air you breathe, is coming into its own in the big-time circuit in agriculture.

More and more, agricultural journals are hammering on the theory of returning nitrogen to the soil. Colleges of agriculture are conducting increasing and varied tests, and publishing the results.

Spread nitrogen on farm land with a drill, put it in a furrow with a plow sole, or dump it into irrigation water and astonishing things happen. Crops grow sturdier, more drought resistant, and yield many more bushels to the acre. It means dollars in the farmers' pockets.

Today the Middle West is assured an abundant supply of a nitrogen fertilizer in the recent acquisition of the Jayhawk Ordnance works near Pittsburg, Kans., by the Military Chemical Works, Inc., for private enterprise operation.

This is the first of the government's big synthetic nitrogen plants to be permitted to sell ammonium nitrate on the open market....

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From the Creamery Journal, January -

SHOULD MODERNIZE PARITY - Editorial - Clinton P. Anderson, secretary of agriculture and one of the newest men in the president's cabinet, recently took occasion to roundly criticize the present parity formulae for farm prices. Mr. Anderson contends that the parity yardstick has been outmoded, that as presently used it permits too high a price for some products and not enough for others, and that it should be overhauled in the light of conditions now existing. While the government is committed to holding farm prices at 90 percent of parity for two years after the war is officially over, Mr. Anderson holds that if the price of milk should slip to that figure from its present 110 percent level, there would be a milk shortage because farmers would refuse to produce at that price.

Many people have always felt that the term parity was a complexity which had been arrived at by a devious route and that it probably was none too accurate. It is difficult to keep from feeling that it contains some hokus pokus which is unnecessary in arriving at prices that are satisfactory for securing production of farm commodities.....

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DAILY FARM NEWS DIGEST
4 (For January 15, 1946)
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U. S. DEPARTMENT OF AGRICULTURE

U. S. DEPARTMENT OF AGRICULTURE
OFFICE OF INFORMATION
Washington, 25, D.C.

(The newspapers and magazines from which these agricultural items are taken are on file in Press Service, Room 411-A. Phone Gene Harrison.)

From The New York Times, Jan. 15 -

BIG PACKERS FAIL TO YIELD ON WAGE--Federal mediators worked without success today to avert a meat strike and, with the deadline little more than twenty-four hours away, the prospects of peace seemed dimmer than ever.

The Government's representatives refused to concede that the situation was hopeless, but this evening the negotiations apparently had come to a standstill.

Officials of Swift & Co., and of the United Packinghouse Workers Union-CIO left the conciliation offices after hours of conferences and had no definite plans to return. The CIO group said that they would return if called.

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FOREST MANAGEMENT FOUND GOOD IN JAPAN--Forest management is one of the few things in which Japan has an edge over America, according to Lieut. Col. A. R. Spillers, chief of the forestry division of the natural resources section of the Supreme Allied Headquarters. Colonel Spillers recently returned from a tour of the lumber section of northern Japan.

"The Japanese don't know any more about logging and the conservation of forests than we do," he said, "but they have done much more about enforcing the improved practices than we have in the United States."

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VITAMIN D PATENTS GIVEN TO THE PUBLIC--Patents controlling Vitamin D, the so-called "Sunshine Vitamin," which prevents and cures rickets, became public property today when Federal Judge John P. Barnes signed a consent judgment terminating a civil anti-trust suit filed last October against the Wisconsin Alumni Foundation and seventeen other defendants.

The defendants originally were accused of conspiring to restrain and monopolize trade in vitamin D and vitamin D products. In the judgment, agreed to by the Department of Justice and the defendants, all of the accused were enjoined from instituting suits for infringement or to collect royalties upon any patents dedicated to the public in the manufacture of vitamin D.

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NEW ENGLAND LACKS MEAT--New England is headed for a meat famine by the coming week-end regardless of whether meat packers go on strike. Malcolm McCabe, secretary of the Massachusetts Retail Grocers' Association, predicted today.

The small reserve stock that was on hand was bought out over the week-end, he said, and almost no meat is expected within the next few days as packers have virtually ceased shipments because they do not wish to be caught with meat in the processing stage. Any reserve stocks that might be on hand would be depleted within two or three days if a strike is called on Wednesday, he said.

(Turn to page 2 for other items from today's N.Y. Times.)

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From The New York Times, Jan. 15 (Cont.) -

MARKET STEADIER IN COTTON FUTURES--Cotton futures on the New York Cotton Exchange were barely steady yesterday and closed 3 points higher to 5 points lower on the day.

After starting 3 to 6 points lower, the market steadied just above the previous closing levels as a result of price fixing and lack of hedges. The lack of telegraph facilities restricted the hedge selling. Later the market sold off to losses of 3 to 13 points on reports that the Office of Price Administration ceiling statement on raw cotton might be issued after the close of the market today. Partial recoveries took place on close price-fixing orders.

The 1945 cotton crop in Russia was reported to be 2,300,000 bales, compared with the record of 4,000,000 bales in 1939-40. The acre yield for last year was placed at 390 pounds. It is reported that Russia is planning sharp increases in its cotton acreage over the next five years.

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MAY RYE REACHES SEASONAL HIGH--Buying of May rye attributed to Eastern accounts ran the price up $4\frac{3}{4}$ cents a bushel at one time today on the Board of Trade to a new seasonal high. Late profit taking wiped out part of the upturn, but the close was at a gain of $3\frac{3}{8}$ cents. New crop deliveries were prevented from advancing by the ceiling price of $\$1.44\frac{1}{2}$ and there was some late pressure on December. July and September were unchanged at the ceiling and December $\frac{1}{4}$ cent lower.

Operations in other grains were light with wheat showing a firm undertone and the active deliveries finished $\frac{1}{4}$ to $\frac{1}{2}$ cent higher, December selling at a new seasonal high. Corn was unchanged at the ceiling, oats closed $1/8$ cent lower to $\frac{1}{4}$ cent higher and barley was unchanged to $\frac{1}{4}$ cent higher.

There was nothing in the general run of the news to account for the buying of May rye, brokers said, and the market was rather easily influenced.

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SUGAR SHIPMENT HALTED--Stoppage of sugar shipments scheduled for this market, pending action by the government on subsidy payments, has actually begun, it was learned yesterday.

Although a specific case uncovered involves a comparatively small cargo of 25,000 100 lb. bags Puerto Rico, sugar brokers pointed out that the development is likely to become general unless price relief is promptly forthcoming.

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LUMBER INDUSTRY PROTESTS CEILINGS--An industry protest that price ceilings for lumber are causing black markets and diverting output from home construction was reported today by the Civilian Production Administration.

The agency said that John C. Collet, Stabilization Administrator, had told a meeting of industry representatives that his office is considering proposals for price changes in some lumber regions.

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PLANS LEGISLATIVE AID TO TOBACCO GROWERS--Tobacco buyers "have no justifiable reason for reducing prices," Representative John W. Flanagan (D-Va) declared today after a day-long conference with growers and Government officials. Mr. Flannagan, chairman of the House Agriculture Committee, said he will introduce tomorrow legislation "increasing the penalty on over-quota tobacco and giving the Secretary of Agriculture the right to reduce tobacco quotas for this year's crop."

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OPA TO PLACE CEILINGS ON 1946 COTTON - Washington - The Office of Price Administration officially gave "advance notice" of its intention to impose ceiling prices on the 1946 crop of cotton. This action is certain to provoke bitter cotton block opposition in Congress to the extension of the Price Control Act...

The proposed ceiling on prices paid growers would be based on 24.09 cents per pound for 15-16 inch middling cotton produced in the western parts of North and South Carolina--designated as area one by the OPA--with adjustments for other areas, based on grade and freight charges to Memphis. Cotton trade spokesmen said the ceilings...are about one cent per pound below prevailing spot market prices.

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LUMBER INDUSTRY representatives were notified by Stabilization Director Collet that his office is considering price adjustments to aid in filling the lumber demands of the housing program for veterans, which will take about 30% of the estimated sawmill production of 30 billion feet in 1936. Lumber men say price revisions are necessary because the lumber price structure was altered during the war to encourage production of military items and this price unbalance is holding down the output of lumber for housing.

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MEAT SLAUGHTER is tapering off for tomorrow's strike. Large Chicago packing houses will slaughter up to the last minute. Some small packers have shut down. Others, gambling that the strike will be averted, are actively buying livestock. Some of these aren't unionized and may continue operating. One thing the imminent strike determined is the likelihood of lower prices for hogs. Last week's rush to market cut prices as much as 60 cents a hundred-weight.

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FLOUR SHORTAGE - Flour millers...are running out of wheat and don't know what to do about it. Actually, there's plenty of this grain around the country since last year's harvest produced a record 1,150 million bushels. But farmers are holding on to much of their wheat. They're convinced they'll eventually get a higher price than the present level; wheat brings \$1.79 a bushel in Chicago; that by the way, is 94% above 1941.

This shortage of wheat in the millers' hands is in its early stages, but a Wall Street Journal survey of half a dozen key points shows the kind of trouble that's ahead.

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SOFT DRINK INDUSTRY MAY GET DOUBLE PRESENT SUGAR QUOTA BY YEAR END - A sugar allotment for the soft drink industry in the fourth quarter this year, ranging between 80% and 100% of the 1941 base, was forecast yesterday by O. H. Lamborn, of Lamborn & Co., at the annual convention of the New York State Bottlers of Carbonated Beverages. He indicated, however, that prices will be higher.

Mr. Lamborn said, however, that with the marketing of the new sugar crops in the second quarter an improvement can be expected. Compared with the current 50% quota for the soft drink industry, Mr. Lamborn placed the rationing in the June quarter at between 60% and 70% of the 1941 base. For the third quarter he estimated it at 70% or 80%.

(Turn to page 4 for other items from today's Wall St. Journal) Farm Digest 95-46

From The Wall Street Journal, Jan. 15 (Cont.)

CATERPILLAR TRACTOR EARNINGS - Peoria, Ill., - Despite elimination of excess profits taxes, earnings of the Caterpillar Tractor Co. for the early months of 1946 will run considerably behind a year ago unless the Office of Price Administration permits further price increases. If wages are raised, earnings will be depressed further. The company's sales, currently between \$12 million and \$13 million a month, are about double the best pre-war levels.

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ARMOUR & CO., - Armour & Co.'s business in the fiscal year ended October 27, 1945, declined in both dollar volume and tonnage from the preceding year. In attributing the shrinkage to the "drastic decline" in hogs marketed in the U. S. and reduced cattle supplies in South America, George A. Eastwood, president, said the company was able to minimize its effects by the diversification of products. In these diversified products Armour operated on a reasonably profitable basis, Mr. Eastman said. The year's earnings of \$9.1 million, were equivalent to \$17.31 a prior preferred share, compared with \$11.2 million, or \$21.11 a prior preferred share, in 1944. The company also increased its working capital by \$4,613,851 and reduced its funded debt by almost an equal amount.

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From The New York Journal of Commerce, Jan. 15 -

SHORT RYE SUPPLY FORECAST FOR U. S. - Another sharp drop in the domestic rye supply for the 1946-47 crop year appears virtually certain as a result of the small seeded acreage last fall and the prospect of a further substantial reduction in reserves at the end of the current season. In fact, there is a strong likelihood that the supply will fall far short of normal requirements and Canada, at best, will be able to furnish only limited quantities....

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CUBAN SUGAR OPERATOR BIDS 9¢ FOR 250,000 TONS - A prominent Cuban sugar mill owner has entered a bid with the Cuban Sugar Institute for the purchase of 250,000 long tons of raw sugar--expected to be the quota set aside for shipment to countries other than the United States--at 9¢ a pound f.o.b.. If refined sugar is made available instead of raws it will carry a 20 percent premium.

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MARKETS - Mills continue to limit flour offerings and fears grow that cutbacks in operations will be necessary unless more wheat is available soon... Steadier tone in nut market noted.... Live fowl former under lighter receipts.... Good quality limes higher.... Little change in vegetables prices.... Eggs decline further from ceilings.... Some easing in cream prices.... Supplies of cheese at record low.... Movement of hogs to market slows in anticipation of packing house strike, and supply at Chicago clears quickly.

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From the New York Times, Jan. 12 -

SOUTH'S SENATORS PLAN FIGHT ON OPA OVER COTTON CURBS--Senators from the eleven Southern States have given notice to the Office of Price Administration that they will fight as a body any continuation of the Emergency Price Control Act beyond June 30, if the OPA goes through with its plan to put "ceiling" prices on the 1946 cotton crop, it was learned today.

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From The New York Herald Tribune, Jan. 13 -

MILL MEN DOUBT OPA CAN CURB COTTON PRICES--The price situation in cotton goods is reaching such a critical state that, unless some early and soundly planned relief is granted textile producers, not only will the current apparel shortage become far worse but industrial output will be seriously impeded for the lack of necessary fabric and industrial textile supplies, according to opinions expressed in the textile markets.

The basic cause of the cotton textile price situation lies in the increase in raw cotton prices, which in many cases has completely nullified the recent price increases granted to the textile producers.

From a purely political angle, many in the industry seriously doubt that the OPA would allow itself to get into any showdown fight with the cotton bloc, at least at this time. The reason offered for this belief is that the OPA shortly must go before Congress to ask for an extension of its existence, which at present is scheduled to end next June 30.

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From The New York Herald Tribune, Jan. 12 -

TENNESSEAN WINS 1945 TITLE AS BEST U. S. VICTORY GARDENER--Jim G. Brown, a tall, thirty-eight-year-old railroad clerk from Nashville, Tenn., was named "the best victory gardener in the United States for 1945" yesterday by the National Victory Garden Institute, a non-profit organization that promoted cultivation of home gardens during the war.

Mr. Brown, who received a prize of \$1,250 in Victory Bonds at an institute luncheon at the Shelton, was given the title as winner of the institute's nationwide 1945 "Green Thumb" contest.

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BRITAIN CUTS WHEAT NEED IN '46 ESTIMATE--Government officials said today Britain had reduced by about ten per cent her estimated wheat requirements for the first half of 1946 to make more available for starving countries.

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The New York Times, Jan. 13 -

ALCOHOL FUEL USE MAY HELP FARMS--Increased agricultural production through blending of alcohol with gasoline for motor fuel was indicated today by C. B. Veal, manager of the Coordinating Research Council, New York, and a member of the Society of Automotive Engineers, in outlining tests being made with this combination. The experiments were being conducted under the auspices of the United States Department of Agriculture and the petroleum industry, he said.

"There is no doubt that crop expansion would result if the farmer is able to utilize a portion of his output for powering vehicles," said Mr. Veal.

From The New York Times, Jan. 13 -

2-CENT SUGAR RISE POSSIBLE IN CRISIS--John C. Collett, Stabilization Director, is expected to act early next week on a recommendation from the Office of Price Administration and the Agriculture Department that sugar prices be increased one-half cent a pound.

This would make it possible for the United States to buy 1946 Cuban sugar production and sell it in this country without a loss. Authority to sell to the Government at a loss any sugar produced this year has expired.

Still further increases in sugar prices may be necessary unless Congress acts almost immediately to extend Government authority to pay subsidies on 1946 sugar crops in Puerto Rico and Hawaii and on domestically produced cane and beets.

In the absence of subsidies prices would have to go up not less than 2 cents a pound, it is estimated.

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REPORT FROM THE NATION--The Deep South-Sugar Chemists Experiment for Big By-Product Yield--Major changes in the Louisiana sugar industry have come slowly since Etienne Bore, the State's first planter, refined sugar in 1795 in a huge iron pot which now rests upside down on the Louisiana State University campus.

However, sugar chemists recently announced three development to provide higher-grade products from the crop and leave even less waste in the cane fields.

One calls for a two-crops-a-year planting of sugar cane, not for its sugar content but for a by-product, calcium aconitate, which now is being extracted from molasses.

Another, chemists have completed studies of a process to extract commercial wax from the "mud" eliminated during the grinding of cane.

Researchers at L. S. U. have been working on a new refining process, which they hope will increase by thirteen pounds the yield of sugar from each ton of cane. The Midwest States--A new organization, the Corn Belt Livestock Feeders Association will enter the Washington arena to represent the interests of Midwestern stockmen.

Meeting here this week, delegates from six States--Iowa, Illinois, Missouri, Nebraska, Colorado and South Dakota--formed a temporary organization and announced plans to make the set-up permanent at a later winter meeting. Officials of State organizations in Indiana and Kansas sent word of their willingness to join.

The group will first send a delegation to Washington to urge that Government officials work out an orderly plan for the early, gradual removal of livestock subsidies and ceiling prices. Speakers said this delegation could help avoid a situation endangering the nation's future meat supply. Plans were made at the meeting to have a spokesman confer late this week at Denver with Secretary of Agriculture, Clinton P. Anderson.

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From The Chicago Daily Tribune, Jan. 10 -

THE NEW PRICE POLICY--(Editorial)--Mr. Truman now says the price of steel can go up, presumably by something like \$4.00 a ton. The price of meat is going to be raised, also. An increase of 18 cents a pound for butter in the spring is confidently predicted.

It is needless to stress Mr. Truman's inconsistency. As recently as Oct. 30 he was saying that to avoid deflation wages should be raised, but he insisted that the increases be granted without raising prices, for price increases would be inflationary. The upshot is that Mr. Truman is now approving the very course which only a few weeks ago he said would be dangerously inflationary. He was wrong then and he is still wrong. This country isn't going to have inflation. It has one.

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From The Baltimore Sun, Jan. 16 -

NATION-WIDE PACKING-HOUSE STRIKE GOES INTO EFFECT--CIO and AFL packing-house workers began a nation-wide strike today at 12.01 a.m., against six major packing firms and some independents--a walkout expected to shut off most of the nation's meat supply.

With last-minute negotiations ended in failure, union leaders called upon some 268,000 CIO and AFL packing-house workers to quit their jobs in support of their demands for a 17½ cents an hour wage increase. The original demand was for a 25 cents an hour pay raise.

An industry source estimated that the nine packing companies on the CIO and AFL strike list produced about 60 per cent of the nation's meat.

U. S. DOES NOT PLAN TO SEIZE MEAT INDUSTRY--President Truman said today that the Government had no plans to take over the meat-packing industry.

SOIL CONSERVATION MACHINERY SOUGHT--More than 100 farmers and soil conservation officials from 32 states converged on the Capital today demanding early release of surplus war machinery for soil conservation work.

Gov. Robert S. Kerr of Oklahoma, declaring the need for soil conservation equipment constitutes "a national emergency," asked the delegates to use their influence with the House Rules Committee to permit House action on the bill by Representative Poage (D.Tex.) to release the surplus machinery.

At a meeting in the Senate Agriculture Committee room, the visitors adopted a resolution calling for speedy passage of the legislation. They will see President Truman tomorrow to give him a copy of the resolution.

COTTON CEILING IS ATTACKED--Proposed ceiling prices on raw cotton were described as "utterly ridiculous" and "absurb" by cotton states congressmen today, many predicting they will never become effective.

Senator Hoey (D.N.C.) said that conferences between OPA Administrator Chester Bowles and congressmen indicated that OPA's announcement yesterday of proposed ceilings would not materialize because there would be no necessity for such ceilings when the cotton was sold.

"Cotton price ceilings are absurb anyhow," he added. "The cost of cotton is such a small, inconsequential part of the finished garment, and there has been no inflation. Actually, raw cotton is one eighth of the cost of a garment."

SUGAR SUIT DISMISSED--An OPA suit for \$857,487.90 in treble damages and an injunction against Eastern Sugar Association for alleged price-ceiling violations on sugar-handing services were dismissed yesterday by Judge William C. Coleman in the United States District Court.

Judge Coleman ruled in an opinion filed yesterday that at the time the defendant concern made a contract with the Coca-Cola Co. to perform the handling services in Puerto Rico, price ceilings were not applicable to that country.

From The New York Times, Jan. 16-

STRIKE TO REDUCE MEAT EATING HERE--With enough meat on hand to satisfy normal eating habits of New Yorkers for four days, the prospect last night was that the average local consumption of three pounds a week per capita would be reduced to about seven ounces by next week if the strike of 268,000 meat workers continued until then.

Seven ounces would bring the individual weekly quota to the equivalent of two small lamb chops or a single order of steak on the skimpy side.

To spread this thin supply as evenly as possible and clamp down on black marketing, the Office of Price Administration and the City Department of Markets announced that they were ready to take special measures because of the strike. These include the mobilization by OPA of "flying squads" of enforcement agents who will descend in carloads upon any section where black marketing is reported. The agents will blanket the area, serving summonses simultaneously on price violators before grapevine warnings of their presence get around.

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LATE RALLY SENDS PRICE OF RYE UP--Grain markets showed a heavy undertone early in today's session on the Board of Trade, but rallied sharply later with May rye in the lead, the latter closing at the top at a gain of $1\frac{1}{3}$ cents a bushel. Distant deliveries of rye were unchanged to $\frac{1}{2}$ cent down on the day. Wheat and oats finished unchanged to $\frac{1}{4}$ cent off. Corn and barley futures were unchanged.

Reports that England has not been able to obtain export permits on cash rye bought recently and that there had been no Government allocations for February shipment led to selling of May rye early, but when the selling let up shorts started to cover and found offerings small. May rye advanced $2\frac{3}{4}$ cents from the low and at the close was $9\frac{1}{2}$ cents higher than Friday's finish.

Black market operations are reported as increasing in cash corn with interests that seldom if ever enter the cash market reported as paying well above ceiling prices in an effort to get grain for bartering purposes. Purchases of 40,000 bushels were made for shipment from the country.

Oats were sold early on reports that the Office of Price Administration was moving to stop the practice in the northwest of forcing mills to take oats in tie-in sales of wheat, the feeling being that this would decrease the demand for oats.

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TRADING IN COTTON GOES AT VARY PACE--Cotton traders moved cautiously yesterday as the Office of Price Administration proposed ceiling prices on the 1946 crop of cotton, and futures on the New York Cotton Exchange closed 8 points lower to 1 point higher than on Monday after holding within a narrow range.

The market started with losses of 6 to 9 points and then sold trade support and uncertainty regarding the interpretation of the ceiling forecasts which "proposed" 24.09 cents a pound for fifteen-sixteenths inch middling staple at eastern mills points. This was interpreted to mean that the ceiling could either be changed or dropped entirely later in the season if the market was stabilized.

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HOSPITALS TO GET MEAT--City hospitals and institutions caring for the sick, both city-owned and private, will receive an adequate supply of meat in the event of a strike, Mayor O'Dwyer was informed yesterday at a conference with Hospitals Commissioner Edward W. Bernecker. Mr. Mills said an agreement had been reached between the unions and the Hygrade Food Corporation to supply the hospitals.

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From The Wall Street Journal, Jan. 16.-

MISSOURI CO-OPS CAN'T OWN ELECTRIC UTILITY - Jefferson City, Mo. - Purchase and operation of a private electric utility enterprise by a farmer-owned group of cooperatives organized under the Rural Electrification Administration was held illegal by the Missouri Supreme Court. The court ordered the Sho-Me Power Co. to quit business in 18 Missouri counties but gave the firm a year in which to wind up its affairs.

Sho-Me was organized in 1942 by a group of 26 REA cooperatives and later was joined by five more electric cooperatives. Sho-Me obtained an REA loan for \$4,275,999 and purchased the Missouri Electric Power Co. for \$2,350,000. Private utilities in the state fought the move. The court ruled: "The cooperative is engaging in a business not authorized by the law under which it was organized."

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PILLSBURY SELLS PREFERRED BLOCK TO NORTHWESTERN MUTUAL - Pillsbury Mills, Inc., has arranged with Goldman, Sachs & Co. and Piper, Jaffray & Hopwood for the sale of 25,000 shares of its \$4 cumulative preferred to Northwestern Mutual Life Insurance Co., This sale....provides the company with more than \$2,500,000 additional working capital....

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PERU'S SUGAR CROP DECLINES - Peru's 1945-46 sugar crop will not reach the 400,000 ton mark with current estimates placing production about 10% under last season, according to private advices from Lima. Peru produced 410,000 long tons of sugar in the 1944-45 crop year.

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LARD STOCKS RISE ABOVE DECEMBER LEVEL - Chicago - Local lard stocks amounted to 16,918,359 pounds as of January 14, according to a report compiled by the Chicago Board of Trade. This compares with 12,864,554 pounds at the close of December, or an increase of 4,058,805 pounds for the period and with 15,487,760 pounds a year ago.

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FERTILIZER SALES IN 1945 ESTABLISHED A RECORD - Fertilizer sales in 1945 will set a record, according to estimates based on distribution of 8,253,801 tons in 17 states reporting to the National Fertilizer Association. Distribution of commercial fertilizer in 1945, it is estimated, amounted to more than 12.5 million tons; 1946 distribution, labor and transportation permitting, could reach 13 million tons. Fertilizer use by farmers in this country has risen in each of the last seven years. Record war production of food was accomplished with the help of the increasingly large quantities of commercial fertilizer.

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(Turn to page 4 for other items from today's Wall Street Journal)

Farm Digest 105-46-3

From The Wall Street Journal, Jan. 16 (Cont.) -

FUR AUCTION CENTER - Milwaukee - This city....now seeks to become the fur auction center of the United States. Fur is big business.

The first auction here of the American National Fur Breeders Cooperative next week will dispose of 20,000 mink and 15,000 silver fox pelts, worth around \$800,000. Four more auctions have been scheduled by the Co-operative Sales Association, which was organized by the domestic fur breeders of the Middle West. Ranchers raising foxes and mink suspect they lose money through the stranglehold that eastern cities, especially New York, have had in selling furs. That's why they want to auction furs in the areas that produce them.

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From The New York Journal of Commerce, Jan. 16 -

DAIRY COMPANIES SEE PEAK DEMAND - Forecasts by both Government and industry analysts that the end of the war....would dampen this year's prospects for the dairy industry have proved much too conservative, it was disclosed in a survey yesterday.

The leading dairy companies, National Dairy Products Co. and Borden Co. look upon the current year with a great deal of optimism. Not only do they agree with the Bureau of Agricultural Economics in foreseeing a strong demand for cheese, evaporated milk, milk powder and other manufactured products, but some officials express doubt that production can keep up with demand.

While the record output of 123,000,000,000 pounds of milk in 1945 is not at present estimated to be exceeded this year, dairy companies are likely to benefit from better profit margins on output formerly purchased in bulk by the Government.

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FERTILIZER SHORTAGE DUE - Controls on fertilizer distribution through June 30 of this year were seen necessary yesterday by representative producers of nitrogen and phosphate fertilizer materials to assure adequate amounts for production of foodstuffs in Europe. Maintenance of inter allied controls until that time will provide for an equitable distribution of fertilizers to food producing lands in Europe and the United States before spring plantings are made for 1946 crop harvests, industry executives said.

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COTTON CEILING MAY DISRUPT FUTURES MARKETING SYSTEM - Cotton men yesterday charged the OPA with political maneuvering and distortion of facts in its announcement of proposed ceiling prices on the 1946 cotton crop. Although brokers differed widely in their interpretation of the order and its ultimate effect on the futures market nearly all were in agreement that it would disrupt trading and interfere with the marketing of one of the country's basic commodities.

Many in the trade believe that if a ceiling price is actually imposed on the new crop it will tend to discourage cotton production in the coming season.

Traders generally held the OPA move a belated and ill-advised attempt to check the inflationary trend that has gripped the country.

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From Watertown Daily Times, Jan. 11 -

COOPERATIVES TO ATTEND HEARINGS--Sixty-eight cooperatives representing more than 31,000 milk producers in the six-state New York milk shed were notified today of their "fundamental obligation" to appear for their membership at the forthcoming hearings on proposed amendments to the federal-state order regulating the handling of milk in the New York metropolitan milk marketing area.

The cooperatives were informed by Dr. C. J. Blanford, administrator of the New York marketing area, that they will be called upon to furnish him with "detailed information" of their participation at the hearings, by the Production and Marketing Administration of the United States Department of Agriculture to be held on Jan. 17 at Brooklyn, Jan. 21 at Syracuse.

"The Market Administrator regards active participation at these hearings, even to the extent of presenting evidence, as a fundamental obligation of every cooperative qualified under the cooperative payment provisions of the Marketing orders," Dr. Blanford told the organizations. "You are informed that the Market Administrator will study the official record of the hearings to determine the extent of cooperative participation. Detailed information of your participation at these hearings will be requested in a future report of cooperative activities."

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CRISIS IN CLOTHES--Editorial--Chester Bowles, the OPA administrator, writing in the current January 19th issue of *Colliers*, now on sale, deals fully and frankly with our clothing troubles. Clothing has increased rapidly in price and many articles such as white shirts, men's shorts and inexpensive women's dresses are almost impossible to obtain.

Why did all of this come about? Mr. Bowles, like any other good man, is willing to admit mistakes. He says frankly that not enough pressure was put to bear on the industry and that planning was faulty at times. OPA had so many problems during the war period that some of them never were adequately solved. But Mr. Bowles argues that the textile business itself did do all that it could. Some manufacturers cooperated, he writes, but "others did not try to help." They had an eye out for profits in the war boom and the industry as a whole made 600 per cent more money "during the war than before the war."

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From The Boston Herald, Jan. 14 -

FOR SAFER PORK--Editorial--It is, apart from war and the motor car, a fairly safe country we live in. Our milk is pasteurized, our meat is inspected, our drinking water is closely checked. It all induces a sense of security among Americans who take it for granted that the various health agencies will preserve us against most preventable maladies.

So it is with some amazement that one reads that the United States has the greatest problem of trichinosis of any country in the world, that 16% of autopsies show evidence of the disease, and that the average pork-eater gets three servings a year of meat that was infected at least before cooking. These are statements in a discussion in the *Journal of the American Medical Association* by Dr. S. E. Gould, of Eloise, Michigan. We do not do very well in this country, it seems. About 1.5% of our hogs are infected with the disease, but in Canada the incidence is only .57% and in Copenhagen it is .00075%. Incredibly enough, there was a time when the United States required microscopic inspection of all pork for export while such inspection has never been required of pork consumed in this country. The reason for the former was the virtual exclusion of American pork from the European market at one time.

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From The Atlanta Constitution, Jan. 10 -

THE DAIRY STATES ARE TAKEN CARE OF--Editorial--Secretary of Agriculture Anderson has reportedly recommended an 18-cents-per-pound boost in butter prices. This would be in addition to November's 5-cent-a-pound increase in cost to the housewife. It will be interesting to note the OPA's reaction to Secretary Anderson's suggestion. Especially are we interested in seeing whether the powerful dairy lobby in Washington is able to bring enough pressure to put over this price gouge.

Certainly if midwestern dairy interests are successful in this attempt to hold up the American public, Chester Bowles will not have the audacity ever again to mention putting a ceiling on raw cotton, which has advanced less than 7 cents a pound during the course of the war. Incidentally, if butter is to go out of sight, why doesn't congress eliminate the discriminatory nuisance tax against oleomargarine? Or would that be too injurious to the butter bloc's interest?

From Preston News, Maryland, Jan. 10 -

WASHINGTON FARM REPORTER--Quietly resting in "status quo" is the two-month's old question of gradually removing farm subsidies by June 30--a question that gives promise of being the biggest inside-the-Administration "nightmare" in many moons.

The picture has changed since Stabilization Director John Collect approved subsidy removals, shortly after V-J Day.

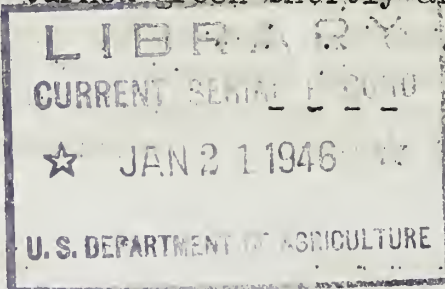
Coming somewhat as a surprise to officials and nonefficials alike is the fact that while supplies of most foods have been up to expectations, the demands by consumers have risen instead of falling off.

From The Chicago Journal of Commerce, Jan. 10 -

75-CENT BUTTER--Editorial--Secretary of Agriculture Anderson, in line with his campaign against food subsidies, is reported to have recommended a series of steps which would increase the retail price of butter by 18 cents a pound by May 1. Outrageous as such a price jump might appear at first glance, there is no alternative if we are to get away from subsidies, and the sooner we face the realities the better.

The Anderson plan also contemplates a temporary squeeze on the products which compete with butter for supplies of butterfat. Ceilings on these items would be reduced, making their production less profitable and thus channeling more butterfat to butter. This arrangement would have the effect of restoring balance to the dairy industry, by placing butter in its proper relationship to allied commodities.

Should the Anderson recommendations be carried out, butter prices naturally would soar the limit. Some consumers would have to do without the spread--as many do now, incidentally. Those who could afford to pay something like 75 cents a pound would do so. But the price would decline as more butter came to market and the extreme rise would be temporary, perhaps of only a few weeks duration, for when the pastures turned green shortly after May 1, heavy supplies would adjust the situation.



Farm Digest 105-46-6

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D14 (The newspapers and magazines from which these agricultural items are taken are on file in the Press Service, Room 411-A. Phone Gene Harrison at 6212.)

From The New York Times, Jan. 17 -

NATION'S MEAT OUTPUT REDUCED 75% AS 200,000 STRIKE IN PACKING PLANTS--Chicago--With meat processing cut 75 per cent by a strike of 200,000 packing house workers and the country's supplies falling, hope of an early settlement of the dispute centered tonight on a meeting to be held in Washington tomorrow by representatives of the unions, packers and the Labor Department.

George Dressleer, secretary of the National Retail Meat Dealers Association, declared that the strike threatened to create the worst black market the country has ever know.

The strike halted all slaughtering and affiliated operations at plants throughout the country of the big four, Swift, Armour, Wilson and Cudahy, and other large packing companies.

Permitted to operate by the unions were hundreds of smaller packers who were expected to fill the needs of the Army, the Navy and hospitals and other emergency needs. Only a small part of the meat of these packers would reach general consumers, it was said.

HOUSE COMMITTEE READY FOR STRIKE CURBS--Washington--The House Committee on Military Affairs after a long closed session today, agreed to bring out measures of its own to control strikes if the Labor Committee, reportedly disinclined to approve President Truman's fact-finding program, did not act "within a reasonable time." Individual members estimated the period of watching and waiting at one to two weeks.

MEAT ON THE HOOF STIRS GRAVE CRISIS--Chicago--Arrivals of meat animals at stock yards dwindled today as farmers cut their shipments and warned of the severest grain shortage in the history of the country if the meat strike did not end.

Only 7,000 cattle, 7,500 hogs and 1,700 sheep entered the yards here, 25 to 50 per cent of normal. The animals were fed and yarded by handlers who were permitted to pass through the picket lines.

If farmers must keep meat animals indefinitely the supply of corn on the farms will be used up and this will result in reduced grain available for conversion to butter, milk, eggs, cereals and starches, Mark Pickell, secretary-treasurer of the Corn Belt Livestock Feeders Association, said.

COTTON CEILING FOES SET STRATEGY PARLEY--Washington--Southern Senators and Representatives will meet in the Capitol Friday morning to draft measures against the cotton ceiling proposed by the Office of Price Administration.

Georgia Senators and Representatives met this afternoon, and separate meetings of other State delegations were planned, but it was decided that it would be more effective for the full Southern delegation in Congress to assemble.
(Turn to page 2 for other items in today's N. Y. Times.)

From The New York Times, Jan. 17 (Cont.) -

NEW SEASONAL TOP IS SET BY MAY RYE--Chicago-May rye moved up 4 cents a bushel today on the Board of Trade to a new seasonal high and went to 11 cents premium over May wheat, closing trades being at the top, and extended the upward movement to five straight days. Commission house buying and short covering with some stop-loss orders uncovered accounted for the strength in the market. Deferred deliveries of rye were unchanged to $\frac{1}{4}$ cent up, the latter on December, which finished within $\frac{1}{2}$ cent of the ceiling.

Strength in rye led to short covering in wheat with the latter rising $\frac{1}{4}$ to $\frac{3}{8}$ cent net. Oats claimed $\frac{1}{4}$ to $\frac{1}{2}$ cent. Corn and barley were unchanged, the former holding at the ceiling price. In Winnipeg rye gained 1 to 1 $\frac{3}{4}$ cents, all deliveries selling at new seasonal tops.

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COTTON EKES OUT 4 TO 7 POINT GAINS--In a dull and uninteresting market, cotton futures trading on the New York Cotton Exchange was small yesterday, but final prices were 4 to 7 points net higher than on Tuesday. After starting with gains of 3 to 6 points the market turned quiet. Pressure was lacking and price-fixing was small.

Uncertainties regarding price ceiling on cotton increased. Spot firms were afraid to sell cotton for delivery after Aug. 1 because they did not know whether the contracts would be valid under the proposed order, and they were afraid to place hedges because the distant months might be at a level which would make their hedges unprofitable.

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MEAT STORES HERE RATIONING STOCKS--Women shoppers lined up wherever beef or lamb was on display but they had little chance to fill their refrigerators because butchers were generally rationing their stocks.

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From The New York Herald Tribune, Jan. 17 -

DEPLORABLE STRATEGY-Editorial-We quote from Secretary Schwollenbach's telegram to the Amalgamated Meat Cutters: "In view of the critical importance of maintaining the supply of meat both for domestic consumption and to fill our export commitments, and in view of the undesirability of halting the movement of livestock to market, a work stoppage in the meat packing industry would be disastrous at this time." His warning, as we all know has not halted the stoppage though the leaders of the union have agreed to meet him today to talk things over. But what we are interested in for the moment (before going on a vegetable diet) is the full implication of his adjective "disastrous."

Most persons can get along without meat if they put their minds to it. So it occurs to us that the meat strike will not be so disastrous to the consuming public as it will be to the unions and to the labor movement.

It is not only the general public that will bitterly resent the strike, as we have observed before, but the farmers whose hog run to the slaughterhouses just has reached its peak. The strike will cut off their main cash income.

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From The New York Journal of Commerce, Jan. 17 -

LIVING COSTS REGISTER FIRST GENERAL RISE - The first general rise in living costs of wage earners and lower-salaried clerical workers since the end of the war was reported in November, the National Industrial Conference Board, private fact-finding agency, said yesterday.

Of 63 industrial cities included in its survey, the board said, 58 reported a climb in the cost of living, three showed no change from October, and two noted slight declines.

Largest increase was in Duluth, Minn., with a rise of 1.9 percent followed by Los Angeles, up 0.9 percent, Bridgeport, Conn., up 0.8 percent, and Milwaukee, Wis., with an 0.7 percent rise.

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PLANT SALES AWAIT U. S. RUBBER POLICY - Washington - Government-owned synthetic rubber plants will not be sold until after a national rubber policy has taken specific form, the Surplus Property Administration told Congress today.

In an interim report describing the Government's \$680,000,000 investment in 44 plants for the manufacture of synthetic rubber and its components, SPA advised Congress that a ready market exists for some of the butyl and neoprene plants and that, further, "there appears to be no particular reason for delay in making some of the alcohol butadiene capacity available for disposal.

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EGG TONE STEADIER AS STRIKE BEGINS - Local shell egg market, while continuing to show irregularity, displayed a definitely steadier tone. This was in part due to the fact that major buyers were willing to operate on a little freer basis at existing price levels, which rule well below ceilings, and in part to the strike at major meat packing plants. There was likewise some betterment of sentiment following the announcement from Washington that Government-owned whole eggs had been withdrawn from offer for drying, and that USDA requirements for dried eggs were expected to take an additional 24,000,000 pounds.

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LABOR SHORTAGE MAJOR PROBLEM OF FRUIT MEN - Rochester, N. Y. - The labor shortage still is "at the top of the list of troubles and problems of the fruit growers," the president of the New York State Horticultural Society declared today.

Advocating high wages and high prices as "the best opportunity for farmers to make money," John A. Hall at the same time termed current "labor unrest" a "struggle in which you and I, average citizens, are completely forgotten."

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MARKETS - Hog receipts off sharply at Chicago and other markets as strike gets under way; Chicago supply quickly taken at ceilings by houses not affected by strike.... Demand for all canned fruits increasing as Coast packers report additional shipments will be very limited.... Most vegetables fail to clear.... Most poultry lines borrow strength from packinghouse strike.... No abatement in butter, cheese pinch.... Some easing in raisin, prune supplies anticipated.

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(Turn to page 4 for other items from today's N. Y. Journal of Commerce)

Farm Digest 115-46-3

From The New York Journal of Commerce, Jan. 17 (Cont.) -

LONG COTTON GOODS PRODUCTION DECLINE BELIEVED HALTED - Broad woven cotton goods production figures just released for the third quarter, and showing 2,007,550,000 linear yards output (exclusive of tire fabric), were considerably under even the most pessimistic estimates heard recently in the market. With output for the first nine months....8 percent under the corresponding period of 1944, it is quite apparent that the full year's figure will drop below the previous estimate of 9,000,000,000 linear yards. A figure of about 8,800,000,000 probably will be reported for the full year.

Latest reports from the Southern mill areas indicate that there has been considerable improvement in the production picture since the turn of the year as discharged veterans and war workers have drifted back to the mills. This is more important than past performance figures in that it evidently signifies a definite upturn in the manpower situation through adjustments in workers' thinking following the removal of wartime influences which drew employes away from the mills in such large numbers and with such disastrous consequences to production. Thus the third quarter report has probably set the low point in the long downtrend.

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From The Wall Street Journal, Jan. 17 -

PHILIPPINE COPRA - San Francisco - The trickle of Philippine copra into this country isn't likely to swell to its normal peacetime flood for many months. Before the war....about half a million tons....a year were required to meet this demand. Even the most optimistic observers think it will be 1947, at least, before the Islands are able to meet that export rate. One big bottleneck is transportation in the Islands. There is enough shipping space on boats coming back from the Philippines to the U. S. mainland, but destruction of roads, bridges, railroads, docks and warehouses, and disruption of inter-island shipments have prevented all but a few thousand tons from reaching island loading docks. Sacks are on their way to the Islands to alleviate the packaging material shortage.

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REFRIGERATION CORP. BOUGHT BY NOMA ELECTRIC CORP. Noma Electric Corp. has purchased Refrigeration Corp. of America, makers of home and farm freezers, frozen food lockers and air conditioning units....

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CORN PRODUCTS OPERATIONS HALTED - Operations of Corn Products Refining Co. were at a standstill yesterday as a result of a strike at the company's three plants in Peoria and Argo, Ill. and Kansas City, Mo., However, the company's grain buyers on the Chicago Board of Trade are operating as usual.

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PACIFIC FRUIT EXPRESS CO. TO PURCHASE 2,000 CARS - Pacific Fruit Express Co. announced that it will purchase this year 2,000 new railroad refrigerator cars at a cost of \$12 million. The company is jointly owned by the Union Pacific and Southern Pacific Railroads. In 1945 Pacific Fruit obtained delivery of 1,000 new cars, costing \$5,296,000, to help move a record volume of perishables. The volume is expected to be approximated in 1946.

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Farm Digest 115-46-4

From The Watertown Daily Times, Jan. 10 -

PRICE CONTROL OR CHAOS?--Editorial--A big battle is shaping up in Washington, the outcome of which may determine the economic future of this nation for many years to come. On the one side is the powerful Farm Bloc represented in the cabinet by Secretary of Agriculture Anderson. On the other is Chester Bowles, OPA Administrator. The issue involved is whether we shall continue to hold the line in living costs or whether we are prepared to enter an era of runaway food prices.

Mr. Anderson favors boosting the ceilings on essential foods and doing away with the subsidies...

Nor is there any assurance that the price increases would stop there. Anderson has not yet said that he wants to remove all price controls. What he does advocate is raising the ceilings to absorb present subsidy payments. The Farm Bloc goes even further. It wants all controls lifted so that prices can seek their own level...

There is only one way that present living costs can be maintained and that is to retain the subsidies...

We believe that most farmers favor the continuation of the subsidies...

But the Farm Bloc, representing the dealers, the cooperatives and some of the big farm organizations, has been against the subsidies from the start...

Theoretically the Farm Bloc speaks for the farmer. Actually it speaks for the large cooperatives and other organizations which are more likely to reflect the dealer viewpoint than they are that of the farmer...

President Truman it is reported, is preparing to go before the people and congress with a proposal that price controls and subsidies be continued after July 1st. If he is wise, he will...He should ask for legislation immediately continuing both price control and subsidies after July 1st.

Let the American consumer ask himself if he wants to pay from 75 cents to a dollar a pound for butter with other foods costs in proportion. Let the American farmer ask himself if he wants to see his markets ruined and his income shattered.

The issue is one as between order and chaos, between stability and inflation, between prosperity and ruin.

From The New York Herald Tribune, Jan. 16 -

RISE IN MILK PRICES URGED--The Niagara Frontier Co-operative Milk Producers Bargaining Agency, Inc., urged today increases in milk prices before removal or reduction of government subsidies. The action was recommended in a resolution passed at the group's annual meeting, which noted that "the government wishes to eliminate subsidies" and reiterated the co-operative's opposition to subsidies in principle.

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SEES SUBSIDIES CONTINUING--Paul E. Fitzpatrick, chairman of the New York State Democratic Committee, says Federal officials have "encouraged me to hope" that subsidies for New York milk producers will be continued. Mr. Fitzpatrick, on a flying visit to the capital yesterday, conferred with Agriculture Department officials and "other interested agencies on the subjects."

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From The St. Paul Pioneer Press, Jan. 13 -

ANDERSON FINDS DECISIONS ON FARM AFFAIRS PREFABRICATED FOR HIM--By Alfred D. Stedman--The question arises whether the White House wants an office boy or a responsible executive to head the United States Department of Agriculture.

Three times in about three years, men who publicly had been charged with responsibility for actions in that department found that the key decisions were being made for them and handed to them on a platter by others having the inside track at the White House...Time was, when the new Truman administration gave promise of a different deal for the Department of Agriculture head...The practice of Truman, it was said, would be to select able men to head the departments, and then to give them the authority to run their jobs. Clinton P. Anderson, member of Congress who became secretary of agriculture, would hold that post in fact as well as in name, it was said.

But now the Truman method is not working out in practice. Secretary Anderson is finding himself up against an outside combination of forces, just as such a combination baffled his predecessors in the department. And the national capital hears the question asked often and openly whether Anderson can stay under the existing conditions.

Secretary Anderson discovers that his authority is challenged on matters of the greatest consequence to farms...The result is a deepening and widening cleavage in the Truman administration as to agricultural policies. Those policies repeatedly have been decided, not by Anderson, but by the majority vote in a triumvirate consisting, besides Anderson, of John C. Collet, stabilization director, and Chester Bowles, price administrator. Anderson repeatedly finds himself on the short end of a two to one vote...Right now, the power of shaping agricultural policies apparently is being shifted increasingly to men outside the Department of Agriculture. Farmers may have to fight if they want the department that understands their problems best to be an influential seat of that power. Any administration that values its prestige and leadership in agriculture should back the man and the department that are assigned the nation's top agricultural jobs.

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From The New York Herald Tribune, Jan. 16 -

MAYBANK SEEKS TO AVERT OPA COTTON CEILINGS--Southern members of Congress moved today to carry out their threats against the Office of Price Administration in retaliation for OPA's proposed imposition of price ceilings on raw cotton.

Senator Burnet R. Maybank, Democrat, of South Carolina, said he would try to amend the next OPA appropriation bill to prevent the agency from using any of the funds for enforcing ceiling prices on cotton.

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From The Des Moines Register, Jan. 10 -

END PRICE CONTROL UNCERTAINTY--Editorial--One of the things President Truman called for, in his appeal to the country for pressure on congress, was prompt action on extending the government's price control powers.

That is something on which conservatives and liberals ought to be in fundamental agreement. Therefore congress certainly should decide quite promptly what it is going to do about price controls and proceed to do it.

We don't believe there is the slightest chance that congress, when it finally acts, is going to wipe out all price controls within the next few months.

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(The newspapers and magazines from which these agricultural items are taken are on file in Press Service, Room 411-A. Phone Gene Harrison at 6212.)

From The New York Times, Jan. 18 -

2 U. S. BOARD TO SEEK MEAT FACTS--Washington-Secretary Schwollenbach appointed a fact-finding board today in the packing house wage dispute which has blocked the major channels of meat distribution, but he continued to seek a settlement through negotiation and conciliation.

Mr. Schwollenbach, Edwin E. Witte, named chairman of the fact finding board, and a corps of Labor Department aides conferred with union leaders and packers jointly and separately, but there was no sign of a strike truce, much less a wage agreement.

Union spokesmen said a request for postponement of the strike was not raised. Packers told the Secretary that present price ceilings did not warrant payment of the wage demands. The conference will continue tomorrow morning.

Agriculture Department reports of cattle receipts indicated some slaughtering was going on, but the bulk of the country's meat supply evidently had been cut off. Frank D. Green of Armour & Co. said there was no slaughtering in any of that company's thirty-two plants so far as he knew.

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MEAT SUPPLIES DWINDLE IN U.S.--Chicago-Packinghouse workers maintained picket lines around empty pens in most of the country's stockyards today as they looked to Washington for settlement of the strike.

The scarcity of meat, meanwhile, became more acute in many areas as arrivals of livestock at principal markets dwindled.

Supplies were shrinking rapidly and continuation of the strike, which started Tuesday, threatened to reduce the country's fresh meat supply to far below wartime rationing, said industry spokesmen. Reports from over the country indicated supplies probably would be exhausted from within two to ten days.

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BLACK MARKET MEAT PRICES SOAR PAST WAR HIGHS HERE--Black market prices for meat exceeded their wartime high marks in several parts of the city yesterday as dealers took advantage of the strike that kept local plants and branches of the major packing companies shut for the second day. At the same time, municipal and Federal authorities fearful that the curtailment to regular shipments might lead to bottling of uninspected meat into the city, were to meet today to set up health safeguards that might include the stopping of butchers' trucks for inspection.

That the upsurge in black marketing that Government officials feared might come with the shutdown of many slaughterhouses has taken place became evident as housewives in Manhattan, Brooklyn and the Bronx complained that many retailers were charging more than their "usual black market prices."

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SEED IS RUSHED ABROAD--Washington-The United Nations Relief and Rehabilitation Administration is rushing more than 50,000 tons of seed to nine European countries and China to provide basic requirements for farmers in time for spring planting. (Turn to page 2 for other items in today's N.Y. Times.)

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MAY OATS FEATURE OF GRAIN MARKETS--Chicago--Although May rye continued today in its rapid upward movement on the Board of Trade, with an extreme advance of 4 cents a bushel to the highest price in twenty-five years, the feature of trading was the broad buying of May oats, attributed to cash and export interests. The latter were credited with buying 1,000,000 bushels or more, part of which was regarded as for export, while the domestic trade took substantial quantities.

December wheat and December oats sold at new seasonal high marks. Closing trades on the active deliveries of rye were at a net advance of $1/8$ to $2\frac{1}{4}$ cents. Oats gained $\frac{1}{4}$ to $1\frac{1}{8}$ cents, May leading. Corn and barley held unchanged at ceiling prices with no sales reported.

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COTTON EXTENDS ITS GAINS SLIGHTLY--The cotton futures market on the New York Cotton Exchange was steady yesterday and closed 2 to 5 points net higher. A little selling against sales reported made by the Commodity Credit Corporation was offset by trade support. There was also commission house buying influenced by the strength in stocks and grain. Traders generally were awaiting Congress reaction to the proposal of the Office of Price Administration to put a ceiling on cotton prices.

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MOVES TO INCREASE SUPPLIES OF SUGAR--Washington--Clinton P. Anderson, Secretary of Agriculture has prepared emergency legislative proposals to enable the Government to continue its practice of buying the Cuban and Puerto Rican sugar crops and selling them to domestic refiners at a loss.

The proposed legislation would authorize the Commodity Credit Corporation to subsidize the purchase of the two 1946 crops by more than \$1 per hundred pounds, or about 22 per cent.

The Department of Agriculture and the Office of Price Administration are reported to have proposed an increase of a half-cent a pound in retail prices for sugar.

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BUTTERPRICE RISE TIED TO MILK POOL--Raising the price of butter 18 cents a pound, as Secretary of Agriculture Clinton P. Anderson has asked, could "automatically" compensate milk producers for the loss of subsidy payments this spring, it was indicated yesterday.

The process would be an indirect one, with the new butter price the basis for increases in all milk products--in the case of fluid milk, consumers probably would pay 1 cent a quart more in summer and 2 cents more in winter.

This proposal, in the form of a suggested amendment to the Federal-State milk marketing order for the metropolitan area, was presented by Frank B. Lent, acting as counsel for two large producers groups at a hearing.

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15c PAY RISE GRANTED BY AMERICAN WOOLEN--Boston--The threat of a strike of 55,000 workers in 100 woolen and worsted mills was lessened today with the announcement by the Textile Workers Union CIO, that an agreement granting a wage increase of 15 cents an hour had been reached with the American Woolen Mills, traditional leader in the field.

The union cancelled a strike vote scheduled for Sunday in American Woolen plants and called members of its advisory committee to ratify the agreement tomorrow.

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From The Wall Street Journal, Jan. 18 -

CHINA TO GET \$33 MILLION LOAN TO BUY U. S. COTTON - Washington - The Export-Import Bank formally announced approval of a \$33 million credit to China for the purchase of raw cotton here. As in the case of cotton credits for European countries, the interest rate will be 2-1/2%. The bank said in a statement that reestablishment of the manufacture of cotton cloth by the Chinese will tend to reduce the present call on the United States through UNRRA for shipment of woven cloth to China.

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COTTON CONGRESSMEN MEET TODAY ON HOW TO BEAT CEILING PROPOSAL - Washington - Rep. Stephen Pace (D. Ga.) said the purpose of the informal meeting is "to do anything we can that's honorable to defeat ceilings on cotton." Mr. Pace said Congressmen at the meeting might draft recommendations for legislation....but declined to comment on what shape such recommendations might take.

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R. J. REYNOLDS TOBACCO CO. reported more Camel cigarettes were sold in 1945 than in any previous year. Total sales of the company rose to \$430.9 million in 1944. Net profits last year were equal to \$1.84 a share on the 10 million shares of common and Class B common stocks, against \$1.71 earned in 1944.

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SWIFT & CO. SAYS CIO UNION HAS CUT WAGE DEMAND - Chicago - Union wage demands on the meat packing industry have been scaled down, John Holmes, president of Swift & Co., revealed yesterday at the company's annual stockholders meeting. Originally the C.I.O.-United Packinghouse Workers demanded an increase of 25 cents an hour, 17-1/2 cents immediately and 7-1/2 cents to be negotiated later. Mr. Holmes said that when negotiations broke down, this C.I.O. demand had been scaled down to 20-1/2 cents, 15 cents immediately and 5-1/2 cents to be negotiated later.

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"COOPS" AND PUBLIC FUNDS - Editorial - Decision by the Missouri Supreme Court that a consolidation of farmers' cooperative electric power associations cannot do business under the state cooperatives law appears to be largely a matter of legal technicalities. Incidentally, the case raises questions of federal policy, since this combination of cooperatives obtained a loan of more than \$4 million from the Rural Electrification Administration, a federal government agency. The loan was used largely if not wholly to buy operating properties of which certain holding companies were obliged, under the federal Utilities Act of 1935, to divest themselves.

This is not the first instance of the financing of an electric power cooperative by the Rural Electrification Administration. That agency draws no line against service to non-members which the cooperatives it finances may render, though some of the states lay down conditions and limitations which a group operating as a cooperative must observe. The question arises whether an agency of the federal government may properly finance one commercial competitor against others in the same field. Then comes another question, whether the government should finance farmers' cooperatives, or any cooperatives, even where these remain strictly "cooperative," serving only their own members. We hold that in neither case is the federal agency performing a legitimate government function. (Turn to page 4 for more items from today's Wall St. Journal) Farm Digest 125-46

From The Wall Street Journal, Jan. 18 (Cont.) -

SUGAR REPORTS TO BE AVAILABLE IN N. Y. - Washington - Current reports on world sugar developments will be made available in New York City by the Department of Commerce through a new special service.

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From The New York Journal of Commerce, Jan. 18 -

JAPAN PYRETHRUM OUTPUT SLOWED - Japan, dominant factor in pyrethrum production before the war, will not be in the export market for another two years with this insecticide material, trade observers predicted here yesterday.

The United States has not as yet formulated any policy for production of the insecticide in Japan. However, the over-all agricultural program for the Japanese, based on the country's critical supply position in foodstuffs, may only permit planting of enough pyrethrum this year to cover requirements for farm insect-control on the islands....

An acute shortage of fertilizer materials in Japan contributes further to the delay in re-establishing pyrethrum growing on a large scale.

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CUBAN WORLD SUGAR - The Cuban Government has told the mill owners that it will syphon off part of the premium price paid to producers for sugar sold in the world market, for use as subsidies to assure the people vital necessities at a low cost. The "world" price as measured by a recent bid for the 250,000 tons to be sold in the world market is 9¢. Since the mill owners suggested a "floor" of 7¢, it is presumed the Government will take 2¢.

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HOG MARKET - Hog receipts expanded at Chicago yesterday, with the salable supply of 9,000 head comparing with 4,000 the previous day. Small killers and order buyers were active buyers....Fears were voiced that if the packing house strike continues for several days there will be such an influx at its termination that facilities at all the principal Western markets will be swamped.

Although it had been expected that embargoes would be declared at all markets when the strike became effective there still was a moderate movement, with total receipts at Western points of 24,900 head, comparing with 79,954 a year ago.

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BUTTER PRODUCTION PICKING UP SLIGHTLY - Local butter market continues extremely short supplied and in very firm position with most retail stores running out early each day. USDA reports show some late pick-up in the make, but total production is lagging far short of same time last year....

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FEEDS - The feed supply position continued to deteriorate, particularly in northeastern States and fears were increasing that farmers there would be compelled to dispose of their live stock and poultry in large numbers if relief is not available within the near future.

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From The New York Herald Tribune, Jan. 16 -

CRITICAL STRAINS ARE REPORTED INSIDE TRUMAN ADMINISTRATION--Washington--As Congress reconvenes, it is apparent that President Truman's administration is not far from coming apart at the seams. Every one agrees that the President's appeal to the people over the heads of the lawmakers has only served to confirm the Congressional attitude of patronizing, amiable indifference to the wishes of "good old Harry." That difficulty might be overcome if there were either sense of direction or unity of purpose within the Administration itself. But these are notably lacking.

On the contrary, there is dissension on every side....It is known that Price Administrator Chester Bowles dissented bitterly from the \$4-per-ton price rise which was promised to the steel companies by Snyder, in return for concessions by the companies to the steel union....

In discussing the question with Truman, it is reported that Bowles stated he could not tolerate any repetitions of the incident. He is understood to have warned that his remaining on the job was dependent on maintenance hereafter of his full authority over price decisions and on his having administration support, especially, in his effort to prevent retail food prices from rising. For this latter purpose, he asked Truman's aid in continuing the food subsidy program, in order to keep the farmers off his neck.

Bowles's request for Truman's aid on subsidies was a mere by-product of a death struggle between OPA and agriculture, precipitated by Secretary of Agriculture Anderson's sudden, happy-go-lucky indorsement of higher meat and butter prices. No one can tell whether Truman can protect Bowles from the farm blocs. But it is obvious that higher food prices will leave Bowles's program in tatters.

As to the problems ahead, it is symptomatic that the first big break has come in the price of farm product--tobacco--and the growers are in Washington demanding relief. But this is a mere molehill compared to the mountainous horror of farm surpluses that is likely to confront the Administration in a year or so. And farm surpluses are only one of the issues which are sure to rise to plague Mr. Truman as soon as reconversion is completed. - By Joseph and Stewart Alsop

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From The St. Paul Pioneer Press, Jan. 15 -

FARM BUREAU JOINS BATTLE AGAINST NTEA--The Minnesota Farm Bureau federation has teamed up with a dozen other organizations in a huge "co-op of co-ops" and has squared away to join the cooperatives in a finish fight against the National Tax Equality association's proposal to tax co-op savings, it was revealed at the Farm Bureau's state convention Monday night.

The huge "co-op of co-ops" is formed by 13 wholesale cooperative associations as the central buying and handling agency for them all. The name of the organization is United Cooperatives.

A struggle between giants in the cooperative and non-cooperative field over co-op taxation was seen Monday night as the result of the growing operations of this big central organization to compete with non-cooperative businesses of many kinds.

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From The Des Moines Register, Jan. 15 -

I.S.C. OPENS CORN STUDIES IN GUATEMALA-Ames, IA.-An outpost of Iowa State college is being established in Guatemala, at Antigua.

College experts have been working the last two years throughout Central America seeking ways of improving the hardiness of Iowa hybrid corn without reducing yield.

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From The Pioneer Press, Jan. 9 -

FARMERS UNION CALLED 'NOT CO-OP'-The Farmers Union Grain Terminal association faced a charge Tuesday that it actually is not a cooperative and therefore is violating the law by operating as such an enterprise.

Roger Dell, Fergus Falls attorney, made the charge at a session of the Railroad and Warehouse commission hearing on a commission order for the association to show cause why its license should not be revoked.

The show cause order accuses the association of violation of grain marketing regulations by selling to itself grain received on consignment and with misrepresenting its financial obligations in applying for a bond.

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From The Kansas City Times, Jan. 15 -

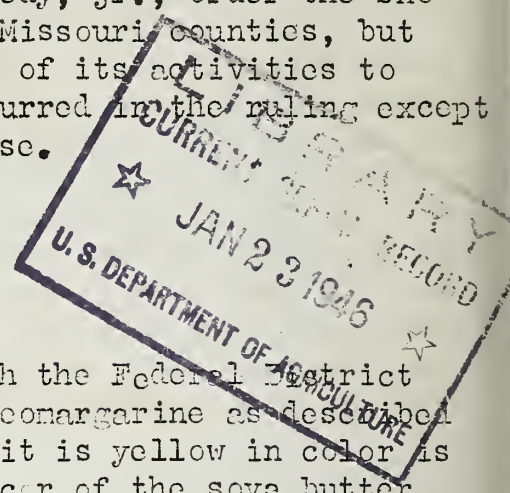
GO-OP MUST QUIT-Jefferson City-Purchase and operation of a private electric utility enterprise by a farmer-owned group of co-operatives organized under the Rural Electrification Administration was held illegal today by the Missouri Supreme court, en banc.

The court, in an opinion prepared by Judge C. A. Leedy, jr., order the Sho-Me Power company ousted from business in eighteen South Missouri counties, but gave the firm a year in which to effect a reorganization of its activities to meet the legal objections. All members of the court concurred in the ruling except Judge Ernest S. Gantt, who did not participate in the case.

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From The Pennsylvania Farmer, Jan. 12 -

CONTRADICTIONS ON OLEOMARGARINE-Editorial-Last month the Federal District Court for Eastern Michigan ruled that soya butter "is oleomargarine as described by Section 2300 of the Internal Revenue Code, and since it is yellow in color is subject to tax at the rate of 10¢ per pound." The producer of the soya butter had been notified in 1942 by the Commissioner of Food and Drugs that his product could not be sold legally as oleomargarine. There are other complications in this case but the above are the essential facts. So we see two rulings, one declaring soya butter to be margarine and the other declaring that it can't be sold as margarine. It appears proper to remark here that there is now law against a court or any official agency using common sense in its decisions. Is the production and use of a wholesome food to be prohibited because a court and an executive don't agree?



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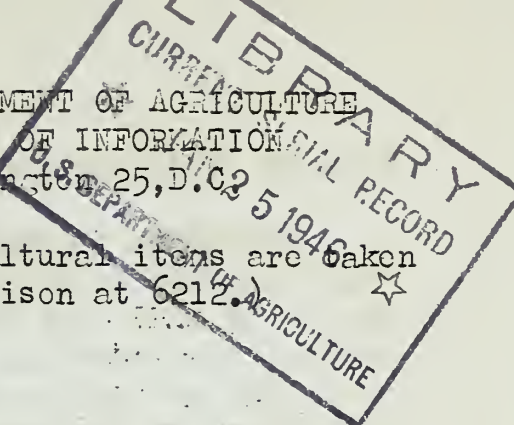
From The Pacific Rural Press, Jan. 5 -

OPA AND SO ON, AD INFINITUM-Editorial-U. S. Senator E. H. Moore of Oklahoma who does not like OPA in the morning, or at noon, or at night, or yesterday or tomorrow, grimaces that we will have OPA with us tomorrow.

Lifting of price control is promised by OPA when crops are in abundance so that the law of supply and demand can operate, but Senator Moore reminds that OPA refuses to grant the farmer incentive prices which will produce such abundant production, and--

"Under this formula, we are doomed to perpetual OPA." Meanwhile many businessmen have been seduced by government control, he charges, lazily giving in to guaranteed profits and government handling of their competitive worries. "They are like the bird which has been placed in a cage and which, after release flutters around and then returns to the cage for protection."

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14 (The newspapers and magazines from which these agricultural items are taken are on file in Press Service, Room 411-A. Phone Gene Harrison at 6212.)

From The New York Times, Jan. 21 -

MEAT DEALERS FEAR 'WORST' SHORTAGE DURING STRIKE--Chicago--Although Chicago packing houses maintained their usual Sunday holiday, picketing continued today as the five-day-old strike threatened, according to Chicago dealers, a meat shortage worse than any under wartime rationing.

The strikers maintained today that they had stopped all production at the Armour, Swift and Wilson companies' plants.

A Presidential fact-finding board will begin a public hearing here at 10a.m. Tuesday in an effort to effect a Federal reconciliation of the strike. The board has been ordered to report to Secretary Schwollenbach Feb. 16. The board will consider the packing industry's appeal for relief from price control.

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READY TO CALL 30,000 IN HARVESTER STRIKE--Chicago--While last minute efforts were being made to avoid a strike tomorrow of about 30,000 workers of the International Harvester Company, 15,000 in five plants in this area and 15,000 in others over the country, union officials met today to arrange details of a walkout.

The strike would tie up the production of all types of farm implements and tractors as well as crawler-type tractors used in construction.

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LARD PRODUCTION IS SLOWED DOWN BY STRIKE--Chicago--A nation wide strike against leading packers has slowed down production of lard materially after a period of fairly liberal production that resulted in a good accumulation of reserve stocks in cold storage.

Lard stocks on Jan. 15 aggregated 16,918,000 pounds, an increase of 4,054,000 in the first half of the month and compared with 15,488,000 pounds last year. It is the first time in a number of months that stocks have exceeded those of a year ago. Soap manufacturers report that supplies of inedible oils and fats have become small again.

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BRITISH TO SHIP COTTONS--London--The British Cotton Board announced tonight that for the first time since the war began exporters will soon be able to send cotton piece goods overseas free from allocation restrictions, and that the exact date of this resumption of normal trading would be announced later.

Haygarth Jackson, a member of the board, said it was felt that markets in the United States, Latin America, Sweden, Switzerland, Portugal and elsewhere could be catered to with a greater measure of freedom than heretofore.

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HOPE FOR SUGAR RELIEF--Chicago--Chicago candy manufacturers, operating under their lowest sugar allotment, said today they "hoped for some relief from the sugar shortage" by the second quarter of this year.

(Turn to page 2 for other items
in today's N.Y. Times.)

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From The New York Times, Jan. 21 (Cont.) -

SITUATION IN GRAIN WITHOUT PARALLEL--Chicago--Crop production in 1945 was the third largest on record, the Department of Agriculture reported recently, but if the crops were that large, where is the grain, brokers on the Board of Trade are asking? The wheat crop was the largest on record, yet that grain is now so scarce that mill production of flour is threatened and there is a question whether a Government program seeking to export 400,000,000 bushels during the last half of the crop year can be fulfilled. Maximum prices plus all permissible mark-ups are being bid freely, and the same applies to cash corn, oats and barley. Rye is quoted at the highest price since July, 1920, being the only grain not currently affected by Office of Price Administration ceilings.

Brokers with many years of experience declare that the current situation in the grain markets is without parallel in the history of the trade. They claim that a considerable part of the difficulty in securing supplies is due in large measure to the inelastic Government price control, which is regarded as having strangled supply and demand, and the inflationary trend. These factors have induced farmers to hold back their surplus in expectation of securing higher prices ultimately.

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GRAIN TRADING IN CHICAGO--Chicago--Trading in grain futures on the Board of Trade here broadened materially last week, especially in oats and May rye. Sales of all futures for the week ended on Friday aggregated 114,163,000 bushels, or a daily average of 19,000,000. The latter compared with averages of 13,000,000 bushels the previous week and 23,500,000 a year ago. Trading was restricted to some extent by the fact that May wheat and barley, all deliveries of corn and the new crop months in rye are at ceiling prices.

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From The New York Herald Tribune, Jan. 21 -

TOKYO CABINET GETS NEW BLOW IN FARM REVOLT--Tokyo--Public wrath has mounted over the week end against the latest government food-control program in Japan adding another headache to the woes of the ailing Premier Kijuro Shidehara and his already shaky Cabinet.

A revolt by Japanese farmers, resulting in non-delivery of government rice quotas, prompted the Cabinet to take quick action against this starvation threat. It has proposed compulsory delivery, with severe penalties for failure to comply. The farmers were joined immediately by the major political parties in opposition to what is considered strengthened government control over a staple of Japanese diet.

Allied headquarters considers it an internal problem for the Japanese to settle.

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From The St. Louis-Dispatch-Jan. 15 -

NUMBER OF MILK PRODUCERS FOR ST. LOUIS AREA DROPS TO 3484--Producers delivering milk to the St. Louis area decreased to a record low of 3484 in December, it was reported today by William C. Eckles, Milk Market Administrator. At the same time, milk delivered by these producers dropped 10.5 percent, from 28,911,331 pounds in December 1944, to 25,876,636 pounds last month, he said. The reduction in the number of dairy farmers in this area has been attributed to inspection requirements here and to farm labor shortage.

From The Wall Street Journal, Jan. 21 -

COTTON SEEN FACING FIGHT - Washington - The Department of Agriculture said cotton faces an increasingly tough battle to hold its place in foreign and domestic markets and that certain basic decisions soon must be made. In a new 22-page publication, Looking Ahead With Cotton, the Department reviewed "some trends and some choices" in cotton production and pricing.

It raised the question of the extent to which cotton farmers should plan to depend "permanently" on financial aid from the nation as a whole. Such aids cost large sums before the war and may require even more now, it added.

The most basic choice ahead, the review said, is whether cotton prices should be pegged above some fixed point, "parity for instance," or whether they should be allowed to drop so American cotton can compete freely with other products.

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MORE NATURAL RUBBER ON WAY TO U. S. - Saigon - Natural rubber is now moving steadily to the United States from French Indo-China, purchasing agents of the U. S. Reconstruction Finance Corp. disclosed. The liberty ship Red Rover is at sea with 7,702 tons, the agents said, and the liberty ship Mary Ann Livermore is scheduled to sail today with 8,000 tons. The liberty ship Floyd Spencer in harbor is waiting the loading of at least 7,000 tons.

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BUTTER MAKERS GLOOMY; SLE SHORTAGE CONTINUING - Chicago - Pessimistic butter makers don't hold out much hope for users of their spread, who are finding less to use than any time in the nation's history.

An economist for one large Chicago dairy firm is advocating erasing all controls and discontinuing all subsidies. When the smoke had cleared from such an explosion, he believes, milk on the doorstep would be selling for 20 cents a quart; butter would be around 55 cents wholesale, equivalent to 67 or 68 cents over the counter, and ice cream and cheese could sell at about their present levels.

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GOVERNMENT MAY SEIZE MEAT PACKING INDUSTRY - Washington - The possibility of government seizures in the strike-hit meat packing industry within 24 to 48 hours was raised in high Administration quarters last night. An official who declined to permit his name to be used, said he saw little hope of avoiding this action. The question of a seizure, he said, would be discussed in high level conferences again today. He said he was inclined to recommend such a step at once. More than a quarter million A.F.L. and C.I.O. workers are off the job.

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From The New York Journal of Commerce, Jan. 21 -

BETTER TURPENTINE MOVEMENT SEEN - Savannah, Ga. - Although gum turpentine supplies have been getting tighter, the ceiling price placed on the commodity is expected to bring out some holdings in the interior. While it was generally believed that the producer ceiling would be 83½¢ a gallon, there was no positive assurance of this, and some producers were adverse to disposing of their supplies until official announcement of the ceilings. Turpentine demands are fairly active for this season of the year.

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(Turn to page 4 for more items from today's
N. Y. Journal of Commerce)

Farm Digest 135-46-3

From The New York Journal of Commerce, Jan. 21 (Cont) -

COTTON MARKET UP BY 2 TO 13 POINTS - As the week drew to a close cotton resumed its upward trend with new seasonal highs established Saturday on the New York Cotton Exchange. Despite threats of strikes in other industries and the uncertainties that prevail with regard to the OPA ceiling proposal on the 1946 crop, the cotton trade apparently believe that ceilings will not be imposed or otherwise that parity will rise as labor wins its demand for higher wages in a rising trend of prices and costs.

The announcement by the OPA earlier in the week had only a temporary reaction on the market although trading was cut nearly in half during the latter part of the week with little or no forward buying in evidence. After fluctuating in a 15 to 33 point range during the week, the market closed with net gains of from 5 to 28 points.

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SHORTAGE OF TANKERS AND REEFERS DUE WHEN SHIPPING POOL ENDS - Washington - Nearly 90,000,000 tons of shipping -- 9,499 vessels -- will be returned to 18 nations when the United Maritime Authority dissolves March 2, it was learned today.

In number of ships, the United States led contributions to the greatest shipping pool in history with 5,529 vessels. Next came Britain, 1,771; Norway, 465; Canada, 361; Holland, 272; Sweden, 252, and France, 213.

Shipping officials said that the UMA's immediate problem when the pool is broken up will be to guarantee shipping to United Nations relief organizations, principally UNRRA, and to maintain the flow of rehabilitation goods to war devastated countries. These officials said the pool's breakup will precipitate major shortage of tankers and refrigerated ships, two types of vessels which only the United States, Britain and Norway have in excess of their own requirements.

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FOREIGN GOLD AND DOLLAR HOLDINGS INCREASED - Washington - During 1945 foreigners increased their "ready cash" by nearly \$2,000,000,000 in gold and dollar balances acquired in transactions with the United States.

This increase brings foreign reserves of gold and dollars up to \$22,400,000,000, an increase of \$7,500,000,000 over holdings in 1938, according to the report on the international transactions of the United States in 1945 released by the Department of Commerce today.

The improved cash position of foreign countries and prospects for a large volume of United States imports if trade barriers are lowered should result in a high level of postwar United States exports in the next few years....

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From The Baltimore Sun, Jan. 21 -

STUDY OF POLICIES OF OPA DEMANDED - Washington - Representative Buffett (R., Neb.) today demanded that the House Banking Committee start immediately an examination of OPA policies. The situation in several specific industries, he asserted, "would seem to indicate that honest business men are being liquidated by OPA regulations. Buffett cited as examples of what he called chaotic conditions in the industry: "The lumber shortage and the dismantling of mills. The steady decline in butter production and the virtual disappearance of butter from normal distribution channels. The general disappearance of soybean, corn and other grains from normal trading channels."

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Farm Digest 135-46-4.

From The Weekly Kansas City Star, Jan. 16 -

BUTTER IS "CAUGHT SHORT" IN GOVERNMENT PRICE CONTROLS--Kansas City--Dairy farmers who are perplexed over what is going to happen to butterfat values in view of the present butter shortage probably are no more bewildered than officials in Washington empowered to set the prices.

The farmer has the advantage of knowing that the Government can't boost butter production by cutting the price. The powers that be in the nation's capital know that, too, and that is why there is such consternation over the problem of trying to end the butter subsidy, boost the price to the farmer to get more production and hold consumer prices down all at the same time. It looks as if it is an impossible feat.

From Commercial Appeal, Jan. 15 -

BRITAIN COMES BACK TO AMERICAN COTTON MARKET--Great Britain came back into the American cotton market over the week end just as telephone communications were cut and it was almost impossible to get cablegrams forwarded from New York.

The result was that considerable confusion existed and about the only information available was that the British Cotton Control has invited offers, which will not be considered before Jan. 17, for middling and strict middling 15-16, 1 1-32 and 1 1-16 inch cotton for March delivery F.O.B. Gulf ports, which must be specific. Price on call base May New York. Payment is to be in cash against documents, with the quantity to be expressed in tons of 2240 pounds.

FARM BUREAU SUGGEST NO FOOD FOR STRIKERS--J. W. Taylor, president of the Sunflower County Farm Bureau Federation, writes:

"The Board of Directors of the Sunflower County Farm Bureau Federation at its monthly meeting unanimously adopted the following resolution and authorized copies of it be sent to Mr. Edward A. O'Neal to the president of the Mississippi Farm Bureau Federation, Mississippi senators and representatives and the press.

"Inasmuch as strikes are preventing American farms from getting sorely needed farm machinery which shortage may lead to a national food crisis, we propose that the American Farm Bureau Federation and other national farm and consumer organizations divert farm produce from strike areas. We believe that those causing this situation should suffer rather than the long abused American public. Labor and management, abetted by the Government, have become so engrossed in their own struggle for power that they are selfishly ignoring the basic needs, wants and welfare of the United States of America."

From The St. Paul Pioneer Press, Jan. 16 -

FARM BUREAU JOINS DAIRY PRICE FIGHT--By Alfred D. Stedman--The Minnesota Farm Bureau federation is joining hands with the dairy cooperatives of the Midwest in a fight to win decisions on key price and policy questions now up in Washington, it was revealed Tuesday night.

Three issues which are storm centers in Washington have aroused concern in the state convention meeting at the Hotel Lowry here, it was disclosed. One is the conflict between Chester Bowles, OPA administrator and Secretary of Agriculture Clinton P. Anderson over the regulation of price ceilings on farm products. A second has to do with the timing of the removal of subsidies. A third concerns the development of a new parity formula which will lift parity prices of dairy and other livestock products so that price supports for these products can be high enough to afford real price protection to dairymen in postwar period. Farm Bureau members are incensed at the attitude of OPA administrator Bowles, particularly as to price ceilings on butter.

From The Weekly Kansas City Star, Jan. 16 -

THE FEED SITUATION CRITICAL--Editorial--Although one of the largest crops of corn on record has just been gathered, receipts on the open market do not reflect ample supplies. Feeding has been extremely heavy, especially of soft corn, which is not merchantable. The demand for industrial purposes has also increased with no reserves to meet an emergency. The difficulty in obtaining boxcars for prompt shipment also results in scarcity to buyers. Feeding of hogs, poultry and dairy cows is also on a heavier scale than a year ago. All of this has resulted in such demand that black markets have developed.

The shortage of feeds is not confined to corn. Meat proteins, oil meals and mill feeds are difficult to obtain. Producers of soybeans and cotton frequently require mills to return the by-products in order to assure supplies. The poor quality and the relatively high cost of hay add to the demand for supplements.

Feed manufacturers have been compelled to modify their formulas to meet this situation or to limit the sales of protein feeds.

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From The Times-Peayune, Jan. 16 -

RICE 'SET-ASIDES' ORDER PROTESTED--The New Orleans food advisory committee of the Production and Marketing Administration Tuesday announced its opposition to the new amendment to the Rice Order which requires the fulfillment of all set-asides prior to the filling of civilian orders.

T. J. Flanagan, a member of the committee, pointed out that Louisiana is the largest consumer of rice in the United States, consuming 65 percent as compared to the national average of 7 to 8 per cent. The new amendment will result in a critical situation for low-income groups especially because lack of rice will be aggravated by the total absence of corn meal or grits and practically no dried beans or peas, he said.

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From The Times-Peayune, Jan. 15 -

DAIRY INTERESTS URGED FOR LOUISIANA--Louisiana should make an effort to induce butter and cheese manufacturers to locate in this state, R. K. Longino, president of the Association of Commerce, told members of the association's agricultural committee at its first meeting for 1946 Monday.

"We are woefully lacking in the production of dairy products, although we have the climate and soil for them," Mr. Longino said. He also suggested encouraging increased production of beef, lamb, sheep and hogs.

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From The Antigo Dairy Journal, Wis., Jan. 12 -

RELIEF THROUGH SEEDS--Editorial--One of the most interesting phases of the economic relief given to our allies and the liberated nations during the war was the distribution of seeds. Nearly 150,000,000 pounds were sent to points all over the world. They went by ships, by air, by pack-mule and sometimes even by human carrier. They were dropped by parachute to beleaguered forces. The food habits of many peoples will never be the same again because they have become acquainted with foods formerly strange or rare to them, and introduction of new improved varieties assures greater yields of feed and food crops.

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(The newspapers and magazines from which these agricultural items are taken are on file in Press Service, Room 411-A. Phone Gene Harrison at 6212.)

From The New York Times, Jan. 22 -

SEIZURE IN MEAT IS REPORTED NEAR-WASHINGTON--John Snyder, Director of War Mobilization and Reconversion, and Secretary of Agriculture Anderson today canvassed the problems arising out of the strike of meat packers and are reported to have discussed Government seizure of the industry.

Government officials indicated that seizure was near, possibly tomorrow or the next day. They explained that with the worsening meat shortage and the rise of the black market some action had to be taken by the Government.

One question being asked here is whether the strikers will return to their jobs if the packing houses were taken over by the Government without some understanding of the amount of wages the men are to receive.

A fact-finding panel headed by Edwin C. White, former public member of the War Labor Board, will open hearings in Chicago tomorrow in an effort to decide the amount of wage adjustment they feel would be fair to both parties, men and management.

Secretary Anderson told reporters that continuation of the meat strike might lead to a revival of black markets in poultry, fish and eggs, and a curtailment of food exports.

The curtailment of meat slaughtering, said Mr. Anderson was causing a "terrible waste" of livestock feeds.

He explained that the Government was planning to curtail whisky makers' use of grain temporarily by 25 per cent in February from January levels because the packing house workers' strike was forcing many farmers to hold livestock on farms beyond marketing conditions and to use extra grain.

HARVESTER PLANTS STRUCK BY 30,000--Chicago--About 19,000 members of the CIO Farm Equipment Workers and Metal Workers Union at five Chicago plants of the International Harvester Company left their jobs at 10:30a.m. today and production of farm equipment, machinery and tractors was paralyzed. Plants of the company which struck, involving 11,000 men, are located in Rock Island and East Moline, Ill., Bettendorf, Iowa, and Auburn, N.Y.

The company, which makes 95 per cent of the farm machinery made in the United States, accused the union for breaking off negotiations Sunday night, not because the company refused to grant a 30 per cent wage increase, "but on the issue of compulsory union membership."

A Federal fact-finding panel will open hearings here Friday in the wage dispute. Both the company and the CIO union have promised to cooperate.

COTTON SHIPMENTS CONFIRMED BY U.S.--Washington--The State Department confirmed today reports of American plans to ship cotton to revive the textile industries of Germany and Japan on a limited scale, but denied vigorously that this country was moving toward a softer peace program with which its Allies would not be in agreement. A formal announcement by the State Department emphasized that the program was designed primarily to provide Germany and Japan with needed textiles for export in order to obtain foreign exchange with which they could pay for imports now being supplied by the victor nations.
(Turn to page 2 for other items in today's N.Y. Times.)

From The New York Times, Jan. 22 (Cont.) -

CITY FACES MILK SUPPLY CUT AS STEEL STRIKE OFFSHOOT--The effects of the nation wide steel strike, stretching into every corner of American industry, threatened last night to deprive New Yorkers of 25 per cent of their normal milk supply. This odd by-product of the cooling of the blast furnaces and the open hearths grew out of the shutting down of the plant of the American Can Company at 144 Forty-third Street, Brooklyn, which makes half of the paper milk containers used in the metropolitan area. The 800 production workers at the plant are members of the United Steel Workers of America, and they joined the rest of the union's 750,000 members in walking out on strike yesterday morning.

As a result Sheffield announced that it would begin today to cut its distribution of packaged milk by 50 per cent "in order to stretch the limited stock (of containers) available to use over this week."

COTTON PRICES UP BY 18 TO 34 POINTS--Starting 1 to 4 points higher than Saturday's final prices, the cotton futures market on the New York Cotton Exchange turned more active and buoyant yesterday, rising to new high levels for the season and closing virtually at the best levels of the day, up 18 to 34 points.

MARKETS IN GRAIN TURN REACTIONARY--Chicago--Grain markets turned reactionary today on the Board of Trade, largely as a reflection of weakness in security markets. May rye broke 5 for one day's trading, and closed at the bottom. Minneapolis and Winnipeg rye also were off the limit. Deferred deliveries of the grain held unchanged at ceiling prices. Oats lost $3/4$ cent to $1\ 3/8$ cents and wheat was unchanged to $3/8$ cent lower. Corn and barley futures finished unchanged with no trading reported.

VAST FARM MARKET REFLECTED IN STUDY--A powerful buyers' market for home labor-saving devices has been created by the gain in the annual gross income of the average New York farm family from \$2,613 in 1940 to \$5,085 in 1944, according to a survey announced yesterday by the Minneapolis-Honeywell Regulator Company.

From The Baltimore Sun, Jan. 22 -

SUBSIDY PLAN HIT ALREADY--Washington--Two major farm organizations served notice tonight they would oppose continuation of food subsidies.

The wartime payments, costing the Government an estimated \$1,798,000,000 yearly, are due to expire June 30. But President Truman urged in his message to Congress today that they be continued.

The President calculated that the cost of food would rise eight per cent and the cost of living three per cent if the subsidies ended.

Representatives of the National Grange and the American Farm Bureau Federation said these organizations would insist that the Government stick to an earlier promise to end the subsidies by June 30.

From The Wall Street Journal, Jan. 22 -

GOVERNMENT MAPS LEGAL MEANS TO SEIZE STRUCK MEAT PLANTS - Washington -

The Administration began mapping legal procedure for seizure of the meat packing industry at a meeting of top Government officials at the Office of War Mobilization and Reconversion yesterday afternoon.

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CORN BELT FARMERS want more money if packinghouse strikers' pay rises.

A Seymour, Iowa, hog farmer and politician has urged a statewide meeting of farmers to make plans for continuing the strike, in effect by marketing animals through local slaughterers after the strikers get a settlement. He would use this means to make the packers and the Office of Price Administration accept demands that ceiling prices be raised by the same percentage the strikers' wages are increased. Under this plan packers would have to pay the ceiling for all cattle and for hogs weighing more than 180 pounds.

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WARTIME SHORTAGES OF FARM LABOR AND FERTILIZER continue into peacetime.

A Cornell University agricultural expert holds that farmers are unlikely to get back the workers they lost to industry until the back-log of consumer demand for goods is worked off. He said farmers must provide good housing, supplement wages with plenty of homegrown foods, and offer accident insurance, paid vacations and social security benefits, as well as higher pay.

Commercial fertilizer production in the United States for 1946 is estimated at 13 million tons. If that's attained, it will be the seventh successive year the industry has increased its output. Domestic needs plus export commitments add up to 14 million tons, however.

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MORE CANADIAN WHEAT is promised by bountiful seasonal rainfall. It

didn't rain much in the fall of 1944, and the semi-arid western provinces, which determine how much wheat the Dominion will harvest each year, dropped off badly in production last year. The entire 1945 crop was 284 million bushels, compared to 411 million in 1944. Plantings promise 350 million bushels this year. A big crop will be welcome to rebuild Canada's carry-over, expected to dwindle from 258 million bushels on August 1, 1945, to 60 million next August 1.

Skimpy snow cover in the marginal wheat land of the southwest makes it doubtful if even a good Canadian crop will offset a U. S. fall in 1946 wheat.

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HOUSE GROUP APPROVES BEET SUGAR SUBSIDY, BY-PASSES OTHER CROPS -

Washington - The House Banking Committee approved continuation of subsidies on the beet sugar crop from Hawaii and Puerto Rico until June 30, 1946, but postponed action on other subsidy proposals. The Committee put aside proposals to subsidize meat.

Asked if the matter of removing agricultural subsidies was under consideration, J.B. Hutson, Under-Secretary of Agriculture, replied it was being studied but that it was not considered desirable to bring the matter up at the moment. Mr. Hutson said a schedule for termination of subsidies was being reconsidered. "It had been expected that large supplies would result in a decline in prices, but that has not developed," he said.

(Turn to page 4 for more items from - - -
today's Wall St. Journal)

From The "all Street Journal, Jan. 22 (Cont.) -

COTTON CONSUMPTION DOWN IN DECEMBER - Washington - The Census Bureau reported that consumption of cotton by U. S. mills during December amounted to 651,784 bales, compared with 743,450 in November and 760,740 in December 1944.

Consumption of lint cotton during the five months ended December 31 amounted to 3,595,851 bales compared with 4,027,236 bales in 1944 period.

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SWIFT INTERNATIONAL TO INCREASE CAPITAL - Chicago - Compania Swift Internacional (Swift International) plans to increase the authorized capital stock from 22.5 million pesos Argentine gold, represented by 1.5 million shares with a par value of 15 pesos each, to 45 million pesos Argentine gold, represented by 3 million shares of like par value, it was announced by Joseph O. Hanson, president. (The gold peso is valued by Argentina at \$1.6335.)

While the final figure on the company's business in 1945 will not be available until later, indications are that the per share earnings will be in excess of the dividends of \$1.80 paid for the year, Mr. Hanson stated. The year's business was not so favorable as those of recent years due to the drought in the southern hemisphere and its effect on crops, and the strikes in Argentina and other factors beyond control, he said.

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From The New York Journal of Commerce, Jan. 22 -

RAYON CORD USAGE SCORED BY COUNCIL - Memphis - A small-scale investigation of the entire rayon and cotton tire cord situation was undertaken today as the National Cotton Council Sales Promotion Committee, headed by Senator N. C. Williamson (Dem., La.), engaged in a stormy discussion of WPB figures of the relative amounts of rayon and cotton tire cord and fabric used for military purposes during the war.

The committee said that in its opinion the WPB statistics showed little justification for the wartime expenditure of Federal funds to expand the rayon tire cord production as a military necessity.

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MARKETS - Choice and fancy sulphur-bleached raisins offered for February arrival, first such move in weeks.... Small packers and Eastern order buyers pay ceilings for most hogs at Chicago; clearance good.... Poultry continues strong as meat strike impact grows.... Most lemons decline on auction.... Celery, squash higher.... Most eggs off 1¢ to 2¢ in irregular market.... Butter, cheese continue acute.

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TESTIMONY VARIES AT HEARING ON MILK - Watertown - A dairy co-operative official today criticized upstate farmers who he said were withholding milk from the New York pool for local markets in the fall "when it is needed most."

Testifying at a Federal-State hearing.... Earl Laidlaw, Gouverneur Co-operative secretary, said such farmers "enjoy all the benefits of the pool and then take their milk away from it when it is most needed...." About 250 farmers and representatives of New York milkshed cooperatives and distributors heard conflicting testimony on the desirability of ending subsidies in favor of price increases.

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Farm Digest 145-46-4

CANNING INDUSTRY WANTS LAW OF SUPPLY AND DEMAND TO OPERATE--By Fred A. Stare, President, National Cannery Association--There is a pronounced conviction by a large segment of our industry that the law of supply and demand should again be allowed to operate, and that all support programs, price controls, and Government regulations should no longer be applied. Another segment feels that as long as Government support on the basic commodities is required by law, some form of support is necessary for the four major vegetable crops, so as to secure grower acceptance of 1946 contracts. It is hoped that by the time of the Cannery Convention in early February the Government will have announced a program for 1946, if there is to be one under which canners are to operate.

If, or when all regulations and controls are withdrawn, subsidies removed, and supply and demand is allowed to operate, there should be and likely will be somewhat of a reduction in contracted acreage of annual crops.

It seems self-evident that the Federal Government, no longer in need of increased production of canned foods, will cease being benevolent and will withdraw all controls and that our industry can move forward on its own initiative to a point far beyond our prewar volume but somewhat less than the enormous production of the last few years.

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PROCESSING TRADES' '46 OBJECTIVE PEAK SALES, LOWER PRICES--By Paul S. Willis, President, Grocery Manufacturers of America, Inc.--Return of competitive selling in the grocery manufacturing industry means that the emphasis in the future will be on new merchandising techniques, distribution and promotion. Sales forces will be greatly expanded and advertising budgets are being increased all along the line. Today we are giving more thought than ever before to ways and means of improving direct merchandising aids at the retail level.

The period immediately ahead will see the most intense competition the industry has ever faced. We still expect to concentrate on volume production, but the accent will be just as heavy on quality--to the end that, with the help of the farmers of the nation, the American people will be supplied with a better diet than ever before. It will be our purpose to give the consumer market the largest volume of food possible at the lowest possible prices.

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WASHINGTON SEES MANY DELAYS IN FOOD DECONTROL PROGRAM--By Oscar Naumann--Washington--Extensive decontrol of food price ceilings cannot be attempted between now and June and may have to be delayed even longer, pending development of new crops and possible changes in the inflationary situation, food price officials of the Office of Price Administration believe.

The Department of Agriculture, on the other hand, confronted with a different problem, has already eliminated many of its War Food Orders and looks for the abandonment of others in the next few months. In some fields, however, USDA officials now think they may have decontrolled too soon, notably in fats and oils.

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U.S. FOOD SURPLUS RELEASES CONTINUE LIMITED--Washington--Grocers who expect to be able to buy from the Government large stocks of war-surplus foods are doomed to disappointment. When the war surplus food disposal problem was first widely discussed it was generally predicted by Government officials that the surpluses would amount to a \$1,000,000,000 or more. Instead only \$88,100,000 worth of agricultural commodities have been declared surplus and many of the items are not foodstuffs. Not only have most of these offerings been taken up already, but there is little chance that large quantities of foods will be declared surplus in the future. (Turn to page 6 for other items in - - - - - Farm Digest 145-46-5 Commerce's Annual Grocery Review.)

VOLUME IMPORTS OF FOOD HELD MONTHS AWAY--by Verdella Rose--Food importers, who a few months ago looked forward eagerly to an early recovery of volume business in European food specialties, now fear that it will be many months, perhaps a year, before they will be able to bring in these delicacies in worthwhile quantities to meet a patiently waiting demand.

CANNERS TO STUDY '46 PACK OUTLOOK--With pricing and subsidy issues governing the forthcoming 1946 packs of canned foods still in doubt, developments during the annual convention of the National Canners' Association in Atlantic City during the period Feb. 1-7 will have a vital bearing upon the industry's operations during the coming season.

The tentative program indicates that considerable time has been set aside for discussion of these issues.

RATIONALIZED SUGAR INDUSTRY PROGRAM URGED--By Frank C. Lowry--A rather trying year has drawn to a close and the sugar trade asks what is in store for 1946 and thereafter. The consumer of sugar must look forward to a few more months of modest supply, but progressively during the year the picture should undergo material improvement.

For the long pull, sugar's problems are twofold: First, the ordinary ones of industry having to do with agriculture, manufacturing, transportation and marketing with which those engaged in the business are acquainted and competent to deal; second, the political problem having to do with tariffs, plus the various controls that, in recent years, have been established under which production, distribution and prices have been dealt with by governmental decree, either directly or through established agencies. The political factor is controlling. On one hand, it deals with restrictions, on the other, with aid through subsidies, controlled marketing through quotas, etc. Until these vital matters are defined, industry is hampered in making plans. In no producing area does the worker, management or investor know where he stands. To measure possible political action, there is no yardstick.

FLEXIBLE POLICIES FEATURE FOOD INDUSTRY PLANNING FOR 1946--By A. E. Mockler--Although major divisions of the food processing and distributing trades have blue-printed ambitious plans for postwar expansion and readjustment, the relative slowness of the transition from a wartime to a peacetime economy in the food field has slowed down the application of many of these programs. The major exception is investment running into the hundreds of millions for new plant and equipment in all segments of the food trade with many major construction projects already under way or scheduled to start during the current year.

The continuing shortage of many staple food lines, however, has set back management planning in merchandising readjustment.

BAR GROUP PLANS PATMAN ACT FORUM--Attorneys representing important food trade organizations will play a prominent role in a special meeting of the New York State Bar Association to discuss the Robinson Patman Act and related State statutes, to be held in the Meeting Hall of the Association of the Bar of the City of New York on Jan. 23. The meeting is sponsored by the Section on Food, Drug and Cosmetic Law of the Bar Association.

(The newspapers and magazines from which these agricultural items are taken are on file in Press Service Room 411-A. Phone Gene Harrison at 6212.)

4 From The New York Times, Jan. 23 -

2 MEAT PLANTS SEIZURE EXPECTED TODAY, WITH RETURN OF WORKERS-Washington-President Truman will probably direct Government seizure tomorrow of the country's packing houses, the 253,000 employees of which have been on strike for a week, it was indicated tonight.

Administration officials are understood to be confident that strikers will return to work when the Government is in charge of the plants and that there will be a restored flow of meat for the public.

The plants will probably be taken over the War Department, although there was a possibility that the Department of Agriculture, which is closely identified with the problem of food, might be put in control.

However, Secretary of Agriculture Anderson has not been sympathetic to the idea of the Government taking over the industry.

Confidence by Government officials of early resumption of meat packing activities was clinched today after a series of rapid-fire conferences held at the Department of Labor.

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CIO UNION OPPOSES MEAT SEIZURE AS 'PLAYING INTO PACKERS HANDS'-Chicago-Government seizure of a strike-bound meat packing plants were opposed today the CIO United Packing House Workers, as a fact-find board began hearings in the wage dispute. The union's statement, however, avoided saying definitely whether it would refuse to order its members back to work in the event of seizure of the properties.

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INDEPENDENT PACKERS OFFER NEW MEAT SUPPLY FOR CITY-The possibility of new sources of meat for this city developed yesterday with the disclosure by the Department of Health that twenty independent slaughterers with out-of-town plants had applied for sanitary permits that would make their meat acceptable for sale here. How much additional meat these slaughterers might provide for New Yorkers, whose supply has been cut to one-fourth of normal by the eight-day strike of 238,000 employees of the major packers, Dr. Ernest L. Stebbins, Health Commissioner, was unable to say. He declared that the required inspections would be hastened so that permits might be issued in about a week if the plants met sanitary requirements.

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WILL DOUBLE MARGIN ON COTTON EXCHANGE--William H. Koar, president of the New York Cotton Exchange, announced last night that the Exchange's board of managers had voted to raise margin requirements from \$5 to \$10 a bale, effective tomorrow.

Mr. Koar said the new margin requirement was based on the present price of more than 24 cents a pound for cotton, with a graduated scale of increased requirements if the price rises. He said there would be a rise of \$5 a bale in margin for each 1-cent increase in price level. He added that the requirement would apply to "speculative interests."

(Turn to page 2 for other items in today's N.Y. Times.)

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From The New York Times, Jan. 23 (Cont.) -

19-YEAR MARK SET BY COTTON PRICES-Cotton futures on the New York Cotton Exchange rose yesterday to the highest levels in nineteen years, when March delivery sold at 25.02 cents a pound and May at 25 cents. Futures closed steady, 15 to 26 points net higher on the day.

The recovery in the stock market, talk of a steel strike settlement, and the heavy potential demand for cotton goods all contributed to the advance. Government officials, while stressing the need of price control, pointed out that the demand for cotton goods this year will be from 20 to 50 per cent in excess of the probable supply.

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GRAIN FUTURES UP IN ACTIVE TRADING-Chicago-All deliveries of grain sold today on the Board of Trade at ceiling price or at a new seasonal high with the exception of September oats, and the close was at the top to slightly below. May rye reversed its action of yesterday and closed the 5-cent limit higher, recovering yesterday's loss. The deferred months were unchanged at ceiling price. Wheat was more active than of late and gained $3/4$ to $1\ 5/8$ cents on the active futures, with July at the ceiling for the first time this season. Oats rose $1\ 1/8$ to $2\ 1/8$ cents. July barley was up 3 cents and finished at the ceiling.

Inflation talk and announcement that Senator Elmer Thomas, chairman of the Senate Agricultural Committee had called on the Office of Price Administration to bring ceiling prices on grains in line with parity were factors in turning the markets upward.

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COTTON INDUSTRY PLANS ALL-OUT WAR AGAINST SYNTHETIC FIBER INROADS-Memphis-The cotton industry will launch the most aggressive offensive attack against synthetic textiles which has been conducted by a major agricultural group in any nation at any time. Oscar Johnston, president of the National Cotton Council, told the annual meeting here today. He emphasized that the attack will be made with industry manpower and industry money and with the full backing of every branch of the industry in every state where cotton is grown, sold or processed.

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CALLS PRICE BURDEN ON FARMS TOO HEAVY-Syracuse, N.Y.-Intimating that a lowered income for farmers would mean a halt in food production, Henry H. Rathbun, president of the Dairymen's League Cooperative Association, said today; "Maybe we will have to do as the steel people do. I am saying that the burden of today's prices is heavier than we can carry.

"Today the farmers are not going to produce foods unless there is adequate consideration. You talk about reducing it. I will say to you that there will be hungry people walking the streets in dire need of the things of life if you reduce the prices that farmers are now getting, unless everybody goes and takes the same type of reduction."

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APPLE ESSENCE BOTTLED FOR USE IN TRADE; TOBACCO BLENDS-Wynamoor, Pa.-Scientists at the Eastern Regional Research Laboratory of the Department of Agriculture disclosed today that they have been able to bottle the essence of fresh apples and tobacco. They declare that the essence of fresh apples is so strong that a gallon of it has as much fragrance as a ton of the finest Macintoshes.

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From The Wall Street Journal, Jan. 23 -

STRIKE-FREE MEAT - Out where the cattle and pigs get fat, people are eating meat regularly and aren't much concerned now about the packinghouse strike.

So far, there's been very little grumbling from stockmen about the strike, although they foresee a feed shortage this fall because animals that should have been slaughtered are still on the farm consuming feed. Federal statisticians say 1.5 million bushels of grain go into excess feeding daily....

The Wall Street Journal surveyed seven concentration points for cattle.... While there is little or no sympathy for the striking workers, there are no moves to get the packing plants open again.... Independent packers, the black market and the "gray market" were taking what cattle had to be shipped, although some outlets were limiting incoming shipments. The strikers, for their part, were not antagonizing the livestock men.

One cattle country market, Oklahoma City, reports more cattle moving through than before the strike. Only Armour's plant is closed there; Wilson & Co. has a plant, but it isn't unionized. There are nine independent packers in Oklahoma City, beside the black and "gray" markets. The "gray market" consists of small packers who have set up retail outlets so they don't have to worry about wholesale ceilings. They respect retail ones. Monday's run of cattle in Oklahoma City was 3,500 head. The corresponding day last year saw 2,200 animals sold. Around Des Moines, a fair volume of livestock is being sold. Several independents are operating at Des Moines and interior Iowa points. Hormel, at Austin, Minn., is the only sizable consumer of Iowa hogs still in the local markets. The small plants mainly process cattle. Wayland Hopley, of Atlantic, Iowa, president of the Iowa Beef Producers' Association, said his members were taking the situation in their stride for the time being, but added: "You know, if we use up all the feed now, we simply won't have it later in the season."

Kansas City, Kan., reports that stockmen remember the sudden drop in prices when hogs were rushed to market on the eve of the current strike, and fears the same thing will happen to prices when they start moving freely again after peace with the unions is restored. What livestock gets to market now is cleaned up quickly by independent plants. Stockmen of Kansas and Missouri aren't sympathetic to the strikers, but neither are they very fond of the packers, as a class.

The Omaha stockyards, which serve Nebraska and western Iowa, have four plants of the Big Four packers, Armour, Wilson, Swift and Cudahy, which are shut down. Seven independent packers still are open. These, with other small independents throughout Nebraska, take care of the state's needs fairly well. Feed supplies in Nebraska are close to normal, with a decrease in stored corn largely offset by larger stocks of wheat, oats and hay.

Fort Worth is the only cow-country cattle center where the yards themselves are tied up. Two hundred livestock handlers, members of the United Packinghouse Workers are out, as are 2,300 other employes of Armour & Co. and the Ratliff Pure Food Products Co.

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FLOUR, PORK SUBSIDIES EXTENDED UNTIL JUNE 30 - Washington - The Government's food subsidy program was given a new lease on life yesterday when Stabilization Administrator John C. Collet extended pork and flour subsidies until June 30.

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(Turn to page 4 for more items from today's Wall St. Journal)

From The Wall Street Journal, Jan. 23 (Cont.) -

THOMAS CHARGES OPA CEILINGS DO NOT REFLECT FULL PARITY - Washington - The failure of the Office of Price Administration to keep price ceilings on farm products in line with parity prices, as provided by law, is costing farmers "at the rate of \$176 million on their 1945 crop," according to Senator Elmer Thomas (D. Okla), chairman of the Senate Agriculture Committee.

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OPA IS NOT YET DECIDED ON COTTON CEILINGS - Washington - Decisions on whether there should be ceiling prices on raw cotton and at what level are still to be made, Price Administrator Bowles said. If the Price Administration decides that an inflationary price situation is developing and ceilings on cotton are necessary, Mr. Bowles said he would call in a representative group of cotton growers and consider their recommendations in determining the prices. Mr. Bowles pointed out that any ceilings could be higher than those set forth in the advance notice of proposed ceilings on the 1946 crop, which was issued January 15. The prices in the notice are the lowest that could be established, and not the highest, he said.

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FLOUR MILLERS PROPOSE WHEAT MARKETING CURBS - Washington - Drastic temporary curbs on wheat marketing have been proposed by the flour milling industry in an effort to move wheat to mills and export channels. The recommendations were drawn up by the Executive Committee on the Millers National Federation and presented to Department of Agriculture officials.

Need for the regulations, the Federation asserts, arises from the fact that the unusually heavy demands for wheat to fill domestic flour and bread requirements, domestic feed requirements and needs for foreign relief over and above normal exports have caused deep inroads into the largest wheat supply ever produced in this country. This has resulted in draining wheat supplies out of some areas in this country to the point where mills in those regions have been unable to obtain sufficient grain to meet domestic calls for flour and bread.

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From The New York Journal of Commerce, Jan. 23 -

CONGRESS STRONGLY FAVORS PRICE CONTROL ACT EXTENSION - Washington - Congressional sentiment, excepting cotton State Congressmen, heavily favors the extension of price control laws beyond the June 30, 1946, expiration date, with the length of the extension and the amount of authority to be left to the Office of Price Administration constituting the principal subjects for debate, a poll of Senators and Representatives indicates.

If OPA had not announced that it might place ceiling prices on the 1946 crop of raw cotton it is likely that the Southern bloc would have favored a longer extension and greater power than is now prevailing Congressional opinion.

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BUTTER PRODUCTION AGAIN FALLING OFF - Butter production report for last week by USDA again shows a considerable declining trend and a further shrink from same time last year. Apparently the attraction of raw material away from the churns is building up again. Local wholesale and jobbing houses find themselves with only a fraction of normal receipts.

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From The New York Times, Jan. 22 -

REPORT FROM THE NATION--The Deep South--Cotton Growers Combat OPA Price Control Program--New Orleans--Proposed control of raw cotton prices by the Office of Price Administration is not bothering cotton merchants as much as it seems to be worrying cotton growers.

The factors, according to their spokesmen, do not expect the proposed ceilings to be enforced. They believe that holding a ceiling on a commodity of many varieties and grades is not as simple as the application of a price ceiling to butter or eggs.

Growers, however, are not as confident as traders that a cotton price ceiling will not be a reality. They are taking no chance but are bombarding their members of Congress with protests. Agitation in Washington for the abandonment of raw cotton price control may be credited to farmers rather than to cotton merchants. Central States-Meat Strike Spurs Stampede for Tinned Varieties-Chicago-Thousands of home-dwellers, as well as lodgers, hotel guests and other restaurant patrons, in the metropolitan areas of the Central West took a hitch in their belts this week when the country-wide strike of 200,000 packing-house workers cut to a trickle the civilian supplies of steaks, chops, roasts and other fresh meats.

In Chicago, center of the country's meat packing industry, long lines of housewives and other family shoppers tried to stock up on that dinner table item, but found most markets had only canned luncheon meats and a little sausage. As disappointed customers turned to the tinned varieties sales jumped more than 30 per cent above normal.--Midwest States-Black Market is Displacing Legitimate Exchange-Omaha-There is strong evidence that the black market has displaced legitimate grain exchanges as the principal handler of Midwest corn and wheat.

Shortages have developed in both grains despite the high 1945 production. The tip-off may be seen in the fact that no trading in either wheat or corn was reported on the Omaha Grain Exchange on two successive days recently.

The shortage in wheat has been the more distressing to date, but observers report that corn will become progressively harder to find during the next few weeks. Millers have been complaining bitterly because the Government and farmers between them have a firm hold on most of the available wheat. The Government's share is tagged for foreign delivery, while many farmers have failed to sell for reasons best known to themselves.

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From The New York Herald Tribune, Jan. 22 -

CREIGHTON SAYS OPA RULES CREATE 'PHONY' SHIRT SHORTAGE--Price control as practiced by the Office of Price Administration "seems like a bad moment from 'Alice in Wonderland,'" with manufacturers "free" to produce aluminum horseshoes, glass ice balls, cemetery flower vases and manhole covers, but restricted in their efforts to supply men's shirts, Gordon K. Creighton, assistant general manager of the National Retail Dry Goods Association, said last night at the annual dinner of the Underwear and Negligee Salesmen's Association here.

"Millions of veterans, as well as other men are unable to buy shirts today," he declared. "There is no lack of cotton, machinery or labor. But the OPA for reasons known only to itself, has created a phony scarcity of shirts."

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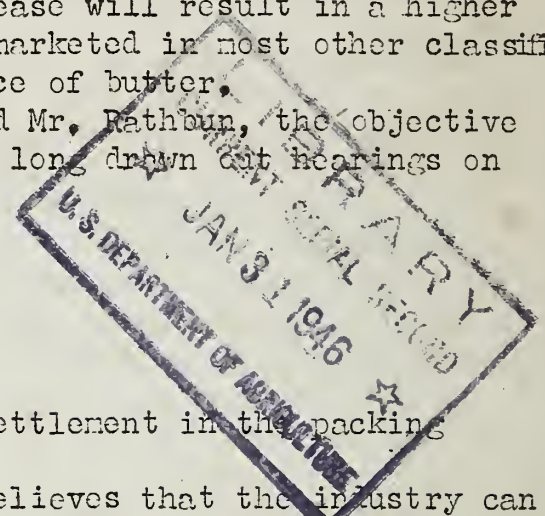
From The Holstein-Friesian World, Jan. 19 -

BUTTER PRICE INCREASE APPROVED-Editorial-Henry H. Rathbun, president of the Dairymen's League Cooperative Association, today described the proposal by Secretary of Agriculture Clinton P. Anderson to advance the price of butter 18 cents a pound between now and May 1 as "a constructive step toward pricing dairy products at levels nearer their true market value than any other action since wartime price controls were inaugurated."

Mr. Rathbun said the proposed butter increase would raise the price of Class 1 (fluid) milk produced by New York Milk Shed dairymen for the New York City market 35 cents per hundredweight in the summer months, and 60 cents in the winter.

Mr. Rathbun explained that the butter price increase will result in a higher Class 1 price, and will also raise the price of milk marketed in most other classifications because they are directly affected by the price of butter.

If Secretary Anderson's proposal is adopted, said Mr. Rathbun, the objective sought through amendments may be accomplished without long drawn out hearings on the fluid milk question.



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From The Milwaukee Journal, Jan. 18 -

THE PACKING INDUSTRY STRIKE-Editorial-An early settlement in the packing industry strike seems not improbable...

One of the progressive packers, George Hornel, believes that the industry can pay 15c an hour more to the workers (which, incidentally, one of the striking unions is already willing to accept) if it is allowed an increase of only $\frac{1}{2}$ c a pound for meat at the wholesale level.

The public should be willing to absorb a very minor price increase in meat to help pull up the wages of workers in the packing industry.

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From The Dakota Farmer, Jan. 19 -

WAR NOT ENDED-Editorial-Just in case you didn't know it--the war is not over yet. As you recall, farm prices are to be supported at 90 percent of parity for two full years after the war ends. Congress did not declare the war ended before the end of 1945. That means that farm support prices run through 1948.

You may be called on to make some crop adjustments before that time--but 1946 looks like a year when we can go right ahead with full production. The possibility of any surpluses during the coming year is rather doubtful. Before 1948 the situation may be changed--and then we will be able to see how well the price supports will work. It should give us all a sense of security to know that we have three more crop years, at least, in which to expect fairly good prices--providing government keeps its promises.

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From The Michigan Farmer, Jan. 19 -

ANDERSON'S INTERPRETATION OF THE STEAGALL AMENDMENT--Secretary of Agriculture Clinton P. Anderson is interpreting the Steagall amendment to mean that the government is pledged to support prices which reflect "an average farm price." In announcing the 1946 egg price support program, Anderson said it would reflect a US average farm price of 29 cents a doz. or an "average farm price of 90% of parity, the minimum support level required under the Steagall amendment." This is different from a flat guarantee that farmers will receive at least 90% of parity for their eggs. Anderson believes that so long as farm price "averages" 90% of parity, the provisions of the Steagall amendment will be met.

(The newspapers and magazines from which these agricultural items are taken are on file in Press Service, Room 411A. Phone Gene Harrison at 6212.)

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From The New York Herald Tribune, Jan. 24 -

U.S. TO TAKE MEAT PLANTS SATURDAY; CIO SILENT; FACT FINDERS TO SET PAY--
Washington--Government operation of the nation's major meat-packing plants will begin Saturday, it was announced by the White House today, although the Labor Department tonight had still received no assurance from the United Packinghouse Workers, Congress of Industrial Organizations affiliate, that its 193,000 striking members would return to their jobs, as the American Federation of Labor strikers have agreed to do.

Clinton P. Anderson, Secretary of Agriculture, whose department will be designated in Presidential seizure orders as the government's managing agency, announced tonight that Gayle G. Armstrong, Deputy Director of the Production and Marketing Administration, would fly to Chicago with a staff tomorrow to take over management as his personal agent.

It was announced that the same rates of pay that prevailed before the eight-day-old strike began until a three-day-old strike began would be paid by the government until a three-man fact-finding panel now meeting in Chicago makes its report. Any higher wages thus recommended would then be put into effect, it was indicated. Union officials said the government had promised to make any increases retroactive at least to the date of the beginning of the strike.

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MEAT OUTLOOK: STOCKS 10 DAYS AFTER SATURDAY--It would be ten days at best after Federal seizure of the nation's struck meat plants this Saturday before the New York City homes and restaurants again could begin looking to meat for main courses.

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DEALERS BACK DAIRYMEN ON PAY--Syracuse--Efforts of dairymen serving the New York metropolitan market to amend the Federal-state marketing order so that their "take home" pay in 1946 will at least equal that of 1945 found strong support today in dealer circles. Testifying at the final in a series of three hearings, W. O. Mather, counsel for the dealers' association of metropolitan New York, declared returns to producers must not be reduced if sufficient supply of fluid milk is to be obtained.

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MAY RYE AT \$2 SETS A 25-YEAR HIGH IN CHICAGO--Chicago--General and active buying pushed grain futures upward today, with May rye passing \$2 a bushel for the first time in twenty-five years; May oats reaching the 81-cent ceiling, and new seasonal highs established in many contracts. May rye climbed almost the 5-cent daily limit and hit \$2.02 at one time, while wheat and oats were up more than a cent occasionally.

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COTTON FUTURES CLIMB TO NEW SEASONAL HIGHS--Cotton futures rallied to new seasonal highs yesterday on heavy trade and commission house buying stimulated by announcement of Price Administrator Chester Bowles that the proposed 1946 cotton crop ceiling is still an open question. Final prices were 10 cents to \$1.05 a bale higher.

(Turn to page 2 for other items
in today's N.Y. Herald Tribune)

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From The New York Herald Tribune, Cont. Jan. 24 -

DANGEROUS SUBSTITUTE-Editorial-The Federal government has scheduled for Saturday the seizure of 150 strike-bound meat-packing plants.

While the war was in progress provisions (of the Smith-Connally Act) proved fairly effective. But how the Department of Agriculture, designated to take over the meat plants, will fare in this respect remains to be seen. In the first place the war is over and so there is no longer the same back-to-work compulsion. Already, to be sure, the leaders of the Amalgamated Meat Cutters, affiliated with the American Federation of Labor, have ordered their members to resume their jobs, but this union accounts for slightly less than a third of the strikers. Meanwhile the remainder, belonging to the United Packinghouse Workers, Congress of Industrial Organizations, have received no such directive and, if their spokesmen in this city are representative, will not budge until they do. Simple negation, it will be noted, is not punishable.

In light of the circumstances, therefore, the whole procedure must be considered an experiment, a clumsy one, in our opinion. Perhaps it will preserve the country from a meat famine, as we all may hope. But whatever the outcome, it is a poor and dangerous substitute, especially in peace time, for a labor policy properly integrated with our private enterprise system, one which, instead of encouraging strikes and hence government seizure, protects the rights of management equally with those of labor.

From The New York Times, Jan. 24 -

GOVERNMENT SEIZURE-Editorial-It is evident that only with reluctance has Mr. Truman reached his decision to seize and operate the strike bound meat-packing plants. The proposal was first advanced when the strike began a week ago. It has been urged vigorously ever since by some of the President's advisers. If Mr. Truman hesitated to act, we may well believe that it was not only because he was waiting for assurance that CIO as well as AFL unions would return to work, in case he took over the plants, but because he saw as clearly as the next man the immense dangers involved in using purely wartime powers of seizure for the purpose of halting a peacetime strike...

In defense of the President's action yesterday the question is asked: What else could the Government do, as a practical matter, when the country was beginning to run short of meat and management and labor could not get together...

It may well be that at this moment, and in the situation thus created, Government seizure is the only way to keep the country from hunger. But this is no reason not to recognize it for what it is: a counsel of despair, a process which settles no fundamental issues, and a method which buys a temporary respite at the price of still more trouble.

FOOD SUBSIDY MOVE BACKED IN INDUSTRY--The government's decision to delay removal of wartime subsidies on many foods was accepted by the food industry here yesterday as inevitable under present conditions. Although originally opposed, in principle, to such controls, wholesalers, retailers and manufacturers alike pointed out that while consumer demand remains at current peak levels, elimination of subsidies would cause chaos.

From The Wall Street Journal, Jan. 24 -

THE GOVERNMENT "SEIZES" - Editorial - President Truman has directed that on Saturday the government shall take possession of struck meat packing plants and thereafter supervise their operation through the Department of Agriculture.

....the President was at pains to ask packing house employes' unions, through the Department of Labor, for their permission to seize the meat packing plants. Naturally, the word "permission" was not used in consultations....In answer, the A. F. of L. union said "Yes." The C.I.O. union said their officers would have to confer about it.

In explanation of this astonishing state of affairs there is the fact that the Smith-Connally law is a war emergency measure and the war emergency has passed. In consequence the legality of government seizure is up in the air. Rather than concede that the war is over, the Administration prefers to adapt wartime law to peacetime uses. In doing that the President finds it necessary first to submit his proposed decisions to a labor union referendum.

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COTTON TRADERS CALL HIGHER MARGIN SPECULATION CURB - Cotton traders yesterday welcomed the action by the Board of Managers of the New York Cotton Exchange doubling the margin requirements on futures trading as a constructive step towards curbing undue speculation in the market.

This graduated scale of margins is considered the most effective brake on speculation because it will prevent pyramiding of profits for further purchases. The Board's action was believed prompted particularly by indications that buyers of securities have been shifting to cotton since margin requirements on securities were increased to 100%. By comparison cotton margins are low. Cotton men however, generally believe the tightening in restrictions will not materially curtail activity on the Exchange.

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BEST FOODS, INC., SELLS BULK FLOUR BUSINESS - Best Foods, Inc., is arranging the sale of its entire bulk and family flour business as well as its grain elevator properties. This was disclosed in an announcement by the company that its wholly-owned Delaware subsidiary, Standard Milling Co., has entered into a contract to sell its milling and grain elevator properties, flour brand names, inventories and certain miscellaneous assets. The purchaser is an Illinois corporation, formed for the purpose by two of Standard Milling Co.'s principal officers.

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CUBAN PRESIDENT ASKS SUGAR INDUSTRY TO OFFER GOVERNMENT PART OF RECEIPTS - Havana - Cuban President Grau has requested Cuban sugar mill owners and sugar growers to offer the government part of the higher prices to be realized on sales of Cuban sugar in foreign markets other than the United States....A foreign quota of 250,000 tons has been established. Current indications are it can be sold in the so-called "free" or world market at a minimum of 8 cents a pound. This contrasts with a tentative price of 3.67½ cents a pound agreed upon for sale to the United States....

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(Turn to page 4 for other items from today's Wall Street Journal)

From The Wall Street Journal, Jan. 24 (Cont.) -

THE BROTHERHOOD OF RAILROAD TRAINMEN authorized a strike vote among its 215,000 members over a dispute with the nation's railroads on wages and working rules. A. F. Whitney, president, said that when balloting was completed in about three weeks, "a strike might come within three days." The Brotherhood of Locomotive Engineers called a meeting February 1 at which preparations will be made for a similar vote.

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From The New York Journal of Commerce, Jan. 24 -

PACKINGHOUSE SEIZURE CALLED NO SOLUTION - Deeth, Nev. - William B. Wright, newly-elected president of the American National Live Stock Association, announced today that he had telegraphed President Truman saying Government seizure of packing plants would not solve the strike.

The Nevada rancher said....that it would be "a retreat from collective bargaining" and that the association regarded seizure as neither equitable nor just.

"It is imposing Government compulsion," Wright said. "It does not solve the problem."

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SEIZURE OPPOSED BY RETAILERS - Omaha - The National Association of Retail Meat Dealers opposes Government seizure of strike-bound meat packing plants, George S. Dressler of Chicago, association executive secretary, said today.

"It has not been successful in the operation of any industry," Dressler told newsmen. "It has left industry in a chaotic condition and is costly for both industry and the public."

His group favors an increase to packers which would be passed on to consumers, Dressler asserted.

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COUNCIL DEMANDS TIRE CORD PROBE - Memphis - Hurling a virtual bombshell into the sessions of the National Cotton Council's eighth annual meeting, delegates today demanded an immediate Congressional investigation of "prejudicial action" by war agencies against cotton tire cord.

Delegates said that specifications requiring rayon tire cord for military tires and Federal aid for the construction and enlargement of rayon plants have resulted in unwarranted danger to cotton's greatest peacetime market.

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ARGENTINE WHEAT ESTIMATE REDUCED - The second Government estimate, released yesterday, placed wheat production in Argentina this year at only 149,500,000 bushels compared with the preliminary calculation of 165,734,000; 150,082,000 in 1945 and 249,832,000 bushels two years ago.

This was a sharp reduction from earlier trade estimates which had ranged as high as 200,000,000 bushels and contrasted with a normal outturn of around 250,000,000 bushels. Principal causes for the reduced production were a small seeded acreage, inadequate rains in some sections, and increased locust depredations during late stages of the growing season.

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Farm Digest 165-46-4

From The Watertown Daily Times, Jan. 21 -

PLEAS MADE FOR DAIRY SUBSIDIES--A plea for continuing dairy subsidies in preference to increasing prices to consumers drew enthusiastic applause from farmers who attend the federal-state milk hearing today.

Frank Lent, New York, Dairymen's League counsel and counsel for the Bargaining Agency, announced his organizations "have not asked for removal of subsidies."

Lent said that the cooperative and dealer groups petitioning for price increase amendments to the federal-state milk order would "amend the Class 1 price, conditioned upon the subsidy decision."

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From The Journal of Commerce, Jan. 22 -

TRUMAN AND SUBSIDIES--Editorial--President Truman, in his combined budget and state of the union message, alluded time and again to inflation as our greatest immediate domestic problem. The Chief Executive urged extension of price control by a full year from next June 30 and asked renewal of food subsidies, which he had planned to abandon, in order that an over-all increase in the cost of living, which he estimated at more than 3 per cent, could be headed off.

Food prices, said Mr. Truman, have failed to drop the 3 to 5 per cent that they had been expected to fall in the first six postwar months, and are pressing hard against their ceilings. Therefore, he concluded, subsidies must continue.

Mr. Truman proposes to continue in peacetime the war controls which were deliberately designed to prevent the normal functioning of supply and demand. As the best economists have been telling us, and as we have seen, we won't get the full production of which the President speaks while we continue to make production unprofitable.

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From The Metropolitan Milk Producers' News, Jan. 15 -

IF MILK AND BUTTER ARE WANTED, DON'T BREAK FARMERS' BACKS--Editorial--Is the Government going to continue to pay a part of the consumer's milk bill after April 30th? If not, is OPA going to allow the consumer to pay his own milk bill after that date? These are pertinent questions that official Washington must soon answer. In fact, the answers are already long over due.

It may be argued that since OPA has long established ceilings on milk, these ceilings must be maintained until supply equals demand, until that time when there is no upward pressure of ceilings, otherwise, there will be run away inflation.

It may be argued, with equal force, that it is the establishment of cock-eyed ceilings of various kinds that has caused the shortages that now press so hard on ceilings and has pushed butter into oblivion.

Any thought of saddling the consumer subsidy to the back of dairy farmers is absurd. A broken back does not easily mend.

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From The Topeka Daily Capital, Jan. 20 -

PORK SHORTAGE IS ENCOURAGING, SAYS PROFESSOR--Definite pork shortage and a support price of \$13 per hundred until October, 1946 is encouraging to the Kansas hog producer, Carl Elling, professor of animal husbandry at Kansas State College told Shawnee County hog producers recently.

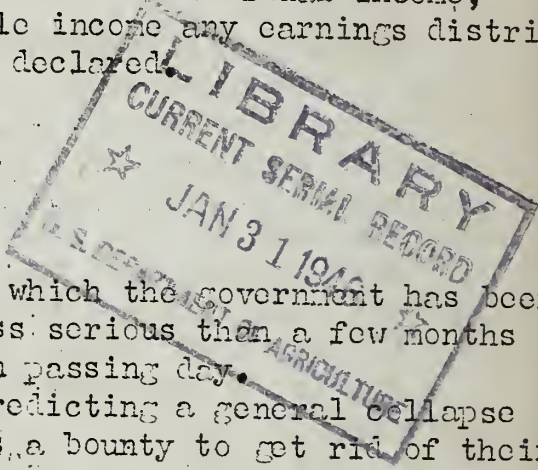
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From The St. Paul Sunday Pioneer Press, Jan. 20 -

DAIRY CO-OPS TARGET IN NEW NTEA BLAST-By Alfred D. Stedman-A direct attack on the country's dairy cooperatives, and especially on those of Minnesota and Wisconsin, has just been launched by the National Tax Equality association, it was disclosed Saturday night.

The dairy co-ops are assailed in a voluminous new report by the NTEA as being beneficiaries of special privileges from the government, including exemptions from federal income taxes which in wartime would have amounted to about 40 million dollars annually if the had been taxed as private corporations are.

The new attack by the NTEA, which is led by Minneapolis grain men, on the dairy co-ops brought expressions of indignation from co-op leaders Saturday night. The dairy co-ops do not have profits, they said, but instead distribute earnings to patrons who pay taxes on such earnings as part of their individual income, and any private corporation could deduct from taxable income any earnings distributed to patrons in the same way, the co-op leaders declared.



From The Kansas City Star, Jan. 20 -

EGG GLUT FADING-The spring egg surplus problem which the government has been worrying about since last summer now appears far less serious than a few months back, and the situation appears to improve with each passing day.

Government food officials who last fall were predicting a general collapse in the market and who were talking about paying farmers a bounty to get rid of their hens recently have quietly expressed amazement at the way the demand for eggs has held up through the winter. Egg prices have continued to hold closely to the ceilings.

From The Topeka Daily Capital, Jan. 20 -

FARM LAND RUSH EXCEEDS 1944 DEMAND--"Land-office business" is the report on the back-to-the-farm movement in the vicinity of Topeka by J. E. Hester, secretary of Federal Security Administration for Shawnee and Jackson counties.

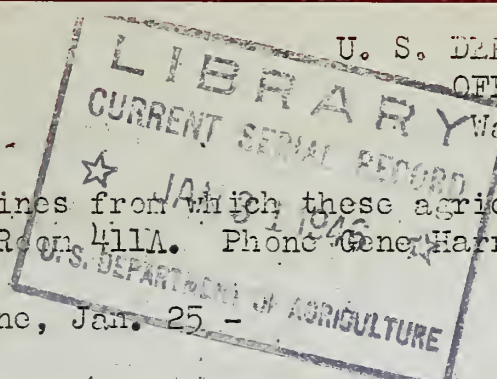
Hester has \$125,000 worth of farm loan applications now pending--over 25 per cent more than the total for last year. The 1945 transactions were up 20 percent over 1944. "Farmers are rushing loans for March 1 occupation," Hester said.

Applicants for Federal Land Bank assistance are planning to live on the farms they are buying. Many tenants are buying their own farms, and city people are seeking a new way of life. Demand is for farms of about 160 acres with improvements. "Purchasers say they would rather live on farms if they can have electricity, good buildings, schools, churches and good roads," Hester commented.

Selling at only 113 per cent of the normal agricultural value, Northeastern Kansas farms now lead the state as farm real estate bargains, Hester reported.

From The Davenport Democrat and Leader, Jan. 20 -

HIGH PRICES CURTAIL FSA FARM LENDING--Des Moines-Iowa farm land prices are so high that a large percent of the \$896,000 allotted for tenant purchases in the current fiscal year will go unspent, H. L. Young, state director of the Farm Security Administration said Saturday. "We figure that present prices generally are from 20 to 35 per cent too high for a tenant to pay out under the Bankhead-Jones act, he continued. "So far only four farms have been purchased in Iowa this year under the program, and there probably won't be many more."



14 (The newspapers and magazines from which these agricultural items are taken are on file in Press Service, Room 411A. Phone Gene Harrison at 6212.)

From The New York Herald Tribune, Jan. 25 -

A.F. OF L. MEAT STRIKERS ORDERED TO RETURN ON U.S. SEIZURE TOMORROW-Washington-President Truman, using his war powers, late today signed formal orders to seize 134 of the nation's major strike-bound meat-packing plants effective at 12:01 a.m. Saturday and in response tonight from Chicago came definite indication that the sources of some 70 per cent of the nation's meat supply will be back in operation then.

The indication came in orders from the American Federation of Labor Amalgamated Meat Cutters and Butcher Workmen of North America that its 55,000 striking members return to work under government management.

The Congress of Industrial Organizations United Packinghouse Workers, with 193,000 striking members, has been noncommittal about returning to work since it became known Tuesday that government seizure was planned, but advices from Chicago tonight indicated that the CIO union also would decide to return to work at a meeting of 100 local unions officials tomorrow morning in Chicago.

MILK AUCTION PLAN OFFERED--Syracuse-Testimony in favor of auctioning surplus milk in the flush season was offered late today at the Federal-state hearing on proposed amendments to orders regulating marketing of milk in metropolitan New York. Leon A. Chapin, of North Bangor, pointed out that the auction plan "is not new under the order, or in ordinary business of farming." "This proposal," said Mr. Chapin, who is vice-president of the Metropolitan Producers' Bargaining Agency and treasurer of the Dairymen's League, "simply makes the auction more specialized and effective. It was proposed in 1942, but we generally have to wait four or five years before our ideas are finally recognized."

PRIMARY MARKET PRICES ARE UNCHANGED IN WEEK-Washington-Average primary market prices remained unchanged during the week ended Jan. 19 as lower prices for agricultural commodities were offset by higher prices for some industrial goods. At 106.7 per cent of the 1926 average, the index of commodity prices in primary markets prepared by the Bureau of Labor Statistics of the Department of Labor was 0.1 per cent below a month ago and 1.8 per cent above the corresponding week of 1945.

FOOD-DRUG LAW RULE OVER FALSE 'ADS' IS URGED--Inclusion in the Federal Food, Drug and Cosmetics Law of powers to combat false advertising in these trades was urged yesterday in a resolution adopted at the first annual meeting of the section of food, drug and cosmetic law of the New York State Bar Association. Charles Wesley Dunn, counsel of the Grocery Manufacturers of America and of the American Pharmaceutical Manufacturers Association and chairman of the section, presided at the meeting.

At present, false advertising comes within the jurisdiction of the Federal Trade Commission under the act. The purpose of the resolution, it was explained, was to have control of adulteration, misbranding and false advertising administered as a single law by one agency. It also recommended that if such unification were made, that there be a re-examination of the enforcement of the law against false advertising of foods, drugs and cosmetics.

(Turn to page 2 for other items from -----)

From The New York Herald Tribune, Jan. 25 (Cont.) -

LOADINGS DROP 23,083 CARS TO 749,475 LEVEL--Washington--Loading of revenue freight for the week ended on Jan. 19 totaled 749,475 cars, according to reports filed by the railroads with the Association of American Railroads and made public today. This was a decrease of 23,083 cars from the preceding week this year, 28,097 cars fewer than the corresponding week in 1945 and 49,175 cars below the same period two years ago.

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From The New York Times, Jan. 25 -

SETS STRIKE PARLEY OF TRAIN ENGINEERS--Cleveland--The Brotherhood of Locomotive Engineers, key union of the standard railway labor unions, set out a call today for an emergency meeting here Feb. 1 of its locals' leaders to take action to break a deadlock in its wage negotiations with the country's railroads.

Railway labor thus advanced another step toward a general strike on the railroads.

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COTTON IRREGULAR AFTER EARLY RISE--After reaching the highest price levels in twenty-one years, the cotton futures market on the New York Cotton Exchange turned somewhat irregular yesterday and closed 11 points higher to 2 points lower than on Wednesday, with near-by positions firm.

Starting with gains of 2 to 7 points, the market rose and at one time was up to 6 to 18 points on trade support, while the volume of speculative business decreased. On the advance, spot merchants were moderate sellers of March and May, presumably on the theory that at 25.19 cents a pound for March and 25.18 cents for May, cotton could be obtained from the Commodity Credit Corporation and delivered on contract at a profit. Mill interests joined the farm bloc in Congress opposing ceilings on raw cotton.

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MAY RYE DECLINES $4\frac{1}{2}$ CENTS ON DAY--Chicago--May rye fluctuated in an erratic manner within a range of $5\frac{7}{8}$ cents a bushel today on the Board of Trade. It finished about the bottom with a net loss of $4\frac{1}{2}$ cents. The deferred deliveries of rye were unchanged at ceiling prices.

The action of rye had some effect on wheat and oats at times, but the active deliveries of wheat rose $\frac{1}{4}$ to $5\frac{1}{8}$ cent net. May and July were unchanged at the ceiling. There were no open market transactions in corn or barley, for which ceiling prices were bid. Oats reacted after rising early and active months finished $3\frac{1}{8}$ cent higher to $1\frac{1}{8}$ cent lower than yesterday, May holding at the permissible maximum.

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MEAT STRIKERS GET ADVICE FROM QUILL--Striking meat workers in this city, who are opposed to going back to the slaughterhouses without a pay increase of $17\frac{1}{2}$ cents an hour, were strengthened in their opposition yesterday by City Councilman Michael J. Quill, head of the Transport Workers Union, who exhorted them to hold out for the demanded increase when the Government takes over the plants tomorrow.

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From The Wall Street Journal, Jan. 25 -

SUGAR CONSUMPTION DROPS LAST YEAR - Consumption of sugar in the United States in 1945 amounted to 5,086,140 long tons, refined basis, compared with 5,725,249 tons in 1944, a decrease of 11%, according to estimates by Willett & Gray. Consumption last year, reflecting the sharp curtailment in civilian rations, compared with a record of 6,567,921 tons in 1941

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MORE CUBAN SUGAR MILLS GRINDING - Sixteen additional Cuban sugar mills started grinding the 1946 crop. This means 45 mills in operation, according to private Havana advices. Last season, 160 mills operated.

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A PRICE DILEMMA faces the Rural Electrification Administration. Officials say they have funds for new projects, but bids from construction companies are so high they fear "inflated costs." Yet if they delay, they're afraid private utilities will move into areas marked for new REA facilities and "skin the cream" off the business.

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"TAKE ALONG a year's food supply when you go to Europe," the expanding State Department advises young vice-consuls bound abroad with their families. It suggests three wholesale firms which will ship canned meats and vegetables in vast quantity on long credit. Also recommended: Huge quantities of vitamin pills-- and soap to avoid scabies.

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From The New York Journal of Commerce, Jan. 25 -

PACKING STRIKE AFFECTS FEEDS - The shortage of feeds remained critical and there were no indications of any early improvement. Shipments on old contracts were backward in many instances; a considerable percentage of the limited corn receipts was being applied against previous barter deals with industries, and much of the millfeed output still was moving to adjacent areas which further restricted supplies available for Eastern deficiency sections of the country.

Holding back of cattle and hogs on farms due to the packing house strike has necessitated continued feeding of large numbers which already were ready for killing and this has aggravated the over-all situation.

Reports were current in the trade that disappearance on some grains on farms, particularly wheat, would prove to be even greater than recently indicated by the Government. In addition, some farmers appeared to be holding back supplies in anticipation of higher ceiling prices.

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MARKETS - Hog clearance at Chicago good, with prices steady.... Market for poultry easier.... Some exceptions to generally firm vegetable market.... Only limes offered of poor quality.... Cheese firm at ceilings.... Butter increasingly tight.... Retail price cut in eggs seen aiding demand.

(Turn to page 4 for more items from today's N. Y. Journal of Commerce)

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From The New York Journal of Commerce, Jan. 25 -

RAYON MEN REPLY TO COUNCIL CHARGE - Rayon tire yarn manufacturers received the accusations of the National Cotton Council with surprise yesterday.

Spokesmen for producers of synethetic cord found unjustified cotton men's charges to the effect that rayon claims to tire fabric superiority are "misleading." It was pointed out that impartial tests had been run by the Army and that rayon cord tires were chosen for their superior service, durability and safety.

One rayon leader said, "The Army had no axe to grind. They wanted the best tire they could get. They ran their own tests and chose synthetic cords as most suitable to their needs."

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MARKETS WEIGH COTTON CEILING PROPOSAL - Memphis, Tenn. - The tension which predominated in the Memphis market last week following the Government's announcement of a proposed price ceiling for the next season relaxed considerably in the trading period just ended. Spot sales were more in line with past season reports for this week....

Bad weather in this section has the spot market "tied in knots" according to one well-known spot firm, and some brokers are unable to fill commitments made for December shipments because of the stalemate in harvesting and ginning. Traders are finding it almost impossible to get cotton from the interior where ginning has ceased entirely, and reports are that more than a million bales still in the fields near Memphis will never be harvested.

Export news continues to improve steadily, and reports that approximately a million bales will be bought for shipment to Japan, and that the Export-Import bank credit for cotton purchases to be sent to China has been approved was favorably received by the local trade, and created a renewed flurry of buying on distant months. Another factor contributing to the activity in this quarter was attributed to hedging against Commodity Credit Corporation cotton allotments to the trade.

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CIVILIAN MARKETS BROADEN FOR DDT AEROSOL BOMBS - The aerosol--the insect-killing bomb that helped the Army win its war on Pacific diseases--is being successfully adapted to civilian household use, according to a report of the American Chemical Society.

Although it proved so effective during the war that 40,000,000 bombs were made for the armed forces, there was considerable doubt as to the bomb's value to civilians. It was regarded in some quarters as too costly and too wasteful of materials, Industrial and Engineering Chemistry, the A. C. S. Journal states. But since V-J Day more than 1,000,000 aerosols have been sold to civilians on a market-sampling basis and 25 companies are now making or planning to make the bombs.

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From The Milwaukee Journal, Jan. 22 -

FARM STOCKYARDS HELP TO EASE MEAT SHORTAGE - There's a steady roar of exhausts as motor trucks loaded to the end gates roll to and from the temporary stockyards established here by the Equity Co-operative Livestock Sales association. With the Milwaukee and Cudahy yards tied up by the meat strike, commission firms moved right out to the country to assemble and sell the livestock. Through them they expect to provide enough cattle and veal calves to keep the 14 small packing plants in Milwaukee operating and a reduced supply of meat going to the butcher shops.

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Farm Digest 166-46-4

From The New York Times, Jan. 24 -

AFL BACKS TRUMAN ON PRICE RULE--Miami, Fla.,--Support of President Truman's recommendation to Congress on the continuance of price control, was voted today by the executive council of the American Federation of Labor; William Green, Federation president, was instructed to tell members of Congress the views of the council on this subject.

The council emphasized, in a statement issued after its meeting, that approval of continuing price control for another year was given only as an emergency step, taken in view of its belief that "conditions are ripe for another economic spree."

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OPA DASHES HOPES FOR REMOVAL SOON OF CLOTHING, APPAREL CEILINGS--Removal of price control for textiles and apparel, first thought possible in March, is now "quite distant" and should not be undertaken before the end of 1946, Samuel W. Levitties, director, Consumer Goods Division, Office of Price Administration, declared yesterday.

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TOBACCO CONCERN CLEARS \$14,938,836--The Liggett & Myers Tobacco Company reported yesterday in its annual statement for the year ended Dec. 31, a net income of \$14,938,836 after Federal income and excess profits taxes and all other charges.

The result is equivalent, after dividend requirements on the preferred stock, to \$4.30 a share on 3,136,939 shares of common stock. The net income for 1944 was \$14,793,459 or \$4.25 a common share.

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FARMER STILL THINKS WORK GETS PRODUCTION, WHICH STRIKERS FORGET, SAYS CORBETT--Harrisburg, Pa.,--"Strikes are seriously injuring the farmer," said R. B. Corbett, secretary-treasurer of the American Farm Bureau Federation, in an address here today before a meeting of the Pennsylvania Dairymen's Association.

"There is much in the situation the farmer cannot understand," asserted Mr. Corbett.

"Farmers believe that labor troubles will not disappear until it is recognized that production is the basis of all-wealth, and regardless of the political philosophy that prevails, we cannot have a high standard of living without full production.

"Farmers are insistent that labor unions assume responsibility for their acts."

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From The Watertown Daily Times, Jan. 22 -

DEMOCRATS CHARGE STALL ON PROBE OF MILK PRICE SPREAD--Albany,--The senate joined the assembly today in voting unanimously to extend for one year the life of the Ives commission investigating agricultural conditions in the state. Although the Democrats voted for the measure, they accused Governor Dewey's administration of an election-year stall of an inquiry into the milk price "spread!"

From The Commercial Appeal, Jan. 22 -

AGGRESSIVENESS TO BE COTTON'S ROLE--The cotton industry is tired of being kicked around.

The delegates and others attending the meeting of the National Cotton Council make that evident by their comment as they discuss the future of cotton with one another in the lobby of the hotel, or speak of it as they come from committee rooms, where they have debated programs for the future.

It was recalled that during the war when there were no cotton goods on the shelves of the merchants that the higher priced rayons always were available. It was recalled that the Government built huge rayon manufacturing plants to supply the war needs and now it is reported that only a comparatively small percentage of the output went to the war effort.

It is recalled that no Government-financed cotton mills were built to take care of the civilian needs during the war.

The cotton men are prepared to ask why the Government aided the rayon manufacturers in encroaching on the markets always held by cotton. There are some explanations in order and the cotton industry is not in the mood to be turned aside by glib explanations.

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From the Watertown Daily Times, Jan. 22 -

THE MILK HEARING--EDITORIAL- The milk hearing held in Watertown yesterday gave the farmers an opportunity to express themselves on the proposed amendments to the milk order and on continuation of the subsidies.

The farmers who testified at the hearing here yesterday left no doubt in the minds of anyone that the milk producers in this area are for the subsidies. Why, is it that the farmer must speak for himself if his true views are to be learned?

Unfortunately certain large organizations of farmers, the Farm Bureau Federation, for example, and the Grange, have permitted themselves to be influenced by those who do not express the real views of the farmers, themselves. There can be no question that in this state, at least, the majority of their members are vigorously in favor of subsidy continuance.

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From the Times-Picayune, Jan. 22-

DOMESTIC RICE SHORTAGE SEEN--Abbeville, La.,-Frank A. Godchaux, Jr., Louisiana rice miller and member of the rice industry committee, today said millers would be unable to deliver to domestic consumers "any appreciable portion" of 96,250 tons of rice recently allocated by the federal government for the first quarter of 1946.

Godchaux charged government orders "make it impossible for millers and distributors to make delivery.

"A very large portion of the remaining rice," he contended, "is not suitable for the domestic trade because of the unusually wet harvesting conditions this season and government regulations encouraged farmers to harvest their rice wet.

"This rice must go to the export trade," he declared.

"Practically all of the remaining good rice has to be set aside for the government," he asserted.

(The newspapers and magazines from which these agricultural items are taken are on file in Press Service, Room 411-A. Phone Gene-Harrison at 6212.)

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From The New York Times, Jan. 28 -

PACKING HOUSE MEN PREPARE TO RETURN-Chicago-More than 200,000 packing house workers prepared tonight to return to their jobs tomorrow (Monday) as employees of the Federal Government, which took over the strike-bound plants of nineteen packing companies yesterday in a move to assure civilian and military meat supplies for the nation.

Local union leaders reported tonight that the back-to-work decision of the strike committee was unanimously endorsed in votes of confidence taken at mass meetings today.

Spokesmen for the Department of Agriculture, which is to operate the seized plants, said the plants should be delivering meat by Wednesday and that the supply should be normal by the end of the week.

MEAT DELIVERERS TOLD TO STAY IDLE-Two hundred truck drivers were ordered yesterday by an American Federation of Labor union to refuse to handle meat from several local plants as 4,000 members of the United Packinghouse Workers, CIO, prepared to return to work today in forty slaughterhouses and branch outlets in this city which had been taken over on Saturday by the Government.

The truckmen's strike brings to a head a long-standing dispute about overtime pay not related directly to the nation-wide packinghouse workers walkout. It is not expected to interfere, for several days at least, with the resumption of operations in the Government-seized plants here, since it will take that long for meat to arrive and be processed and packed for shipment out of the New York houses. Efforts are already under way to bring about a truce in the drivers' controversy.

COTTON PRICES GO TO RECORD LEVELS-Cotton futures rose 49 to 69 points last week on the New York Cotton Exchange, with prices reaching the highest levels of many years in active trading. Virtually all active months made new seasonal highs, with the near-by March and May deliveries at the best levels for any future delivery since July, 1925.

The principal factor in the strength of the market was the news from Washington that the proposed ceiling price on 1946 crop cotton of 24.09 cents per pound was the minimum ceiling that might be imposed, and not the maximum. A further stimulus to buying was the promise made by Price Administrator Chester Bowles that he would consult with the members of the Congressional farm bloc before taking any further steps toward imposing a ceiling on next season's crop of the staple.

FEARS FOR WHEAT NOW CONFIRMED-Chicago-Domestic disappearance of wheat during the first six months of the present crop-year aggregated 715,000,000 bushels, the largest on record, the Department of Agriculture reported last week. Brokers and speculators regarded the figures as confirmation of views expressed previously that the world supply and demand position had become precarious, that reserves at the end of the season would be virtually exhausted and that high prices would prevail for at least another year.
(Turn to page 2 for other items in today's N.Y. Times.)

From The New York Times, Jan. 28 (Cont.) -

GRAIN TRADING IN CHICAGO-Chicago-Trading in grain futures expanded last week, especially in oats, sales of which were more than 60 per cent of all business on the Board of Trade. Total turnover in all grains at 130,789,000 bushels was well above that of the previous week but below that of the corresponding period last year. Average daily volume of business last week was about 22,000,000 bushels, compared with 19,000,000 the previous week and 25,000,000 a year ago. Trade in corn futures was largely in the way of changing between the various deliveries at ceiling prices.

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OKLAHOMANS ASK FARMERS TO HOLD FOOD OFF MARKETS TILL STRIKES ARE SETTLED-Chickasha, Okla.-Grady County farmers have adopted a resolution calling on growers throughout the United States to withhold all food from market until current strikes are settled.

The farmers agreed at a mass meeting yesterday to continue producing but to stop marketing until industrial production was resumed.

"No goods for us, no food for you," the resolution stated.

"This is not a strike," said Parker Woodall of Verden, Okla., who spoke at the gathering.

"We are just tired of being the innocent bystanders who are getting hurt without having a part in the fight and we think it is time something was done."

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1,500 FRUIT SHOPS THREATEN CLOSING-Two hundred members of the All-boro Retail Fruit Association, with power to vote for the entire association, adopted yesterday a resolution calling for the closing down of 1,500 fruit and vegetable retail stores in New York City if a conference to be sought with Mayor O'Dwyer, Commissioner of Markets M. Maldwin Fertig and officials of the Office of Price Administration does not produce a satisfactory decision for the dealers. It is estimated that the closing of stores would affect 5,000,000 persons.

The retailers' complaint is against the OPA ceiling prices and the fact that the OPA does not take into consideration waste and rot in transit and short weight on delivery in setting those ceilings.

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EXPERTS CRITICIZE FARM PARITY POLICY-Cleveland-A committee of experts appointed by the president of the American Economic Association in 1944 to consider the problem of agricultural price support reported today that its members unanimously disapproved of parity prices for agricultural commodities as currently defined in the law.

The committee also disapproved unanimously the setting of any fixed percentage of these parity prices--higher price goals set for the avowed purpose of lifting agricultural prices up to the level of tariff protected industrial products--as the goal for price support. It declared "we consider such goals to be inimicable to the long-time welfare of agriculture, as well as to the welfare of the nation as a whole."

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From The Wall Street Journal, Jan. 28 -

BATTLE OF FOODS - Food processors are preparing for the most competitive era in their history.

From meat packers to dairy processors to biscuit makers, they're marshalling the biggest sales forces ever. Advertising budgets are going up. Some companies will spend 50% more to tell the public about their products this year than they did in 1945.

Hundreds of new products are lined up in laboratories, waiting to move out and do battle for the consumer's approval--such things as canned pork and apple-sauce and canned scrambled eggs and minced ham.

Food companies will spend a record sum for research; laboratories will be expanded. Processors know that without adequate scientific studies they would soon fade out of the sales picture.

New and streamlined production facilities are planned. In 1946, approximately \$600 million of the food industry's money will go into new equipment and buildings.

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REVIEW AND OUTLOOK - Editorial - Two prominent labor discussions in which the government attempted no interference have been settled without a strike, both Ford and Chrysler having reached agreements with their employees through the ordinary processes of collective bargaining.

The strike in which the government has played the most prominent role, the steel strike, is to all appearances the most tightly deadlocked.

In the packinghouse strikes active federal participation has resulted in a cabinet officer being forced to dicker with a union before he can effectively exercise the authority which the President ordered him to exercise.

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CUBA TO SHIP MOLASSES - Havana - Molasses from Cuba's 1946 sugar crop will be made available to the United States pending completion of price negotiations, it was announced. Oscar Seigle, head of the Cuban Sugar Sale Mission, said the arrangement was similar to the temporary shipment of sugar to the United States in advance of actual settlement of the 1946 purchase contract. Mr. Seigle, after conferring with President Ramon Grau San Martin, said a decree had been signed regulating domestic consumption of sugar to avoid a shortage such as occurred here last summer.

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LITTLE FLOUR OFFERED BY MILLERS - Large bakers were in the market last week for flour but millers were not inclined to make offerings pending developments on the wheat situation. Bakers are becoming worried over supplies.

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CATTLE, hogs and sheep were steady at Chicago Saturday, with receipts estimated at 3,000 hogs, 500 cattle, and 500 sheep. Bulk of hog sales ranged from \$14.75 to the \$14.85 ceiling. Compared with a week ago, all weights and classes of hogs were steady.

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From The New York Journal of Commerce, Jan. 28 -

UNIONS AND PRICE CONTROL - Editorial - Labor unions have displayed an equivocal attitude toward price control. As consumers, they have usually insisted that OPS must "hold the line." As wage earnings unions have often sought wage increases, which would necessarily lead to higher prices.

Within both the AFL and the CIO, labor leaders have appeared on both sides of the fence. "Our unions," says the current Monthly Survey of the American Federation of Labor, "have universally kept within the wise and sound formula laid down by President Truman: wage increases should not force breaks in price ceilings." But John L. Lewis, newly returned to the AFL fold, favors both wage and price increases.

In the CIO, Reuther has claimed he does not want a wage increase which will lead to price increases for automobiles. But Philip Murray and the United Steelworkers want higher wages regardless of the effect upon steel prices.

It would be irresponsible for organized labor to withdraw its support from price stabilization and gamble upon being able to come out ahead in an inflationary spiral.

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DRIVE FOR HIGHER WAGES ADDED THREAT TO COTTON MILL MARGINS - The immediate problem facing mill managements, particularly in the South, is the drive being readied by the unions to again force payments of higher textile wages.

The latest demand will be for a general increase of 15¢ an hour and a minimum wage of 70¢ an hour from 147 Southern cotton mills for which the Textile Workers Union of America (CIO) is bargaining agent. Emil Rieve, president of the organization, has announced.

While the union may not get its full demands, the indications are that some additional wage adjustments are likely to result. Several mills already have voluntarily advanced their pay rates and others are expected to follow. The increases granted are said to range from 8 to 15 percent.

Considering this situation, together with the current selling price of cotton at some 10 percent above parity, it is quite apparent that the cotton textile industry will need prompt ceiling price relief from the OPA.

A point that deserves the widest general publicity is that further increases in cotton textile prices are due to the impact of outside forces on the industry. If the public thinks cotton mill workers are not sufficiently compensated and that the cotton farmer is entitled to a high price for his staple, then it must be prepared to pay more money for its cotton goods.

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ASKS SENATE PROBE FABRIC SHORTAGES - Charges that cotton textile manufacturers have been "deliberately withholding" the production of critically short cotton textile fabrics have been laid before the Small Business Committee of the United States Senate by the Textile Workers Union of America, CIO, it was announced yesterday by Emil Rieve, general president of the union.

Cotton mills are refusing to run third shifts because of a 5¢ an hour premium pay, failing to engage in production drives, and refusing to settle strikes called to enforce War Labor Board orders, Rieve told United States Senator James Murray, chairman of the committee. He asked for a Congressional investigation.

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From The Commercial Appeal, Jan. 23 -

SEED, LABOR PLAGUE 1946 COTTON OUTLOOK--One has only to talk to the producer delegates to the National Cotton Council convention to be convinced that the outlook for the 1946 cotton season is even more dismal than were the expectations a year ago.

There is too much 1945 cotton in the fields today to permit preparation of the ground for the 1946 crop, it is said--even if the weather would permit ground preparation and labor and machinery were available.

On top of that there is a definite and--in some instances--alarming seed shortage. Some sources estimate that there will not be more than a 60 percent supply of seed available and that germination of that will be the lowest in years.

Most producers say that there is little evidence that labor is returning from industry or the armed services to the farms.

Producers speak cautiously of production plans for 1946, the usual comment being something about "being lucky" if we plant as much as we did in 1945."

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AMERICA'S TRAGEDY--Editorial--The packing industry strike has created an immediate crisis for the American people.

The only remedial step is immediate governmental seizure which will put the plants back into production. It should be taken without further useless delay.

Aside from the great food needs of a people already confronted by scarcity, there are the even greater needs of the armed forces, and particularly their hospitals, where meats are required in certain diets for the wounded and sick.

A grave economic emergency exists. Only in such a state is governmental seizure ever warranted, and when that step is taken it is, unfortunately, a confession of failure.

In this emergency so necessary a step represents failure of the Congress to recognize its responsibilities to the people. The people are the Nation. They are the Government.

The well-being of the people was jeopardized by the meat industry strike.

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From The Boston Herald, Jan. 24 -

MEAT AND STEEL--Editorial--The decision for government seizure of the meat plants was tardy but inevitable. If there are degrees of inevitability, the seizure of the steel industry is even more so. For while government might conceivably abdicate its responsibilities in the case of meat, to do so in steel is unthinkable. The nation could exist on a sharply restricted meat supply; without steel the country's industrial plant would gradually grind to a virtual halt and unemployment would mount weekly by the millions.

No one likes the emergency solution of government seizure. But the CIO United Packing House Workers Union, in threatening to maintain the strike even against the United States itself, is revealed more clearly than ever as a public-b damned organization, in bold defiance of the law, which provides the seized plants "shall be operated under the terms and conditions of employment which were in effect at the time possession of such plant, mine or facility was so taken." The CIO union, however, opposed seizure "unless there are sufficient guarantees the wage demands of the union will be put into effect by the government upon taking over."

The union must have its way, whatever the consequences to the nation.

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From The Chicago Daily Tribune, Jan. 24 -

OPA INCREASES INFLATION, SAYS GROCER GROUP--The office of price administration is contributing to inflation by retarding and distorting production, the executive board of the National Association of Retail Grocers charged yesterday. It asked congressional investigation and early termination of price and other war time controls.

The association made the charge in a resolution adopted at the board's annual meeting in Washington, D.C. It also asked that OPA be requested "forthwith to remove ceilings from nonessentials, noncost of living and luxury items."

The agency thru its price increase absorption rule and "other mistaken price policies," is creating additional inflation both "by perpetuating and aggravating existing shortages and by depreciating quality," the resolution said. OPA also shows no inclination to correct abuses, it asserted.

From The Milwaukee Journal, Jan. 23 -

NO SUBSIDY FOR MEAT-Editorial-If the meat strike can be settled that way, there is no good reason why the wholesale price of meat should not be increased 25c per hundred pounds, as is now being tentatively suggested by the government. Surely the American people can stand the small increase in retail prices which this should involve. That would be better than either a meat famine or the now announced government seizure to take place Saturday.

There is ample reason, however, why the people should resist the government's proposal to subsidize purchases for foreign and army consumption at an additional 10c per hundred pounds. We do not again want two prices for meat at the wholesale level and we do not want any new subsidies.

The only legitimate purpose in raising prices at this time is to enable the packers to pay their workers a better wage. If no rise is needed for that, no rise is needed at all. If a 25c rise is not adequate by itself to permit a proper wage adjustment, then it should be made 26c or 27c or such other amount as will cover.

From The Baltimore Sun, Jan. 25 -

THE PLOT THICKENS IN THE PACKING-HOUSE CASE-Editorial-The seizure of the meat packing plants will be, in many ways, the most fascinating experiment of the kind since Mr. Roosevelt first grabbed at seizure as a dandy offhand method of dealing with labor situation.

This industry has had the singular and sometimes agonizing distinction of being used by the Government throughout the war to appease not merely one of the two great pressure groups which run the country but both of them. The pressure groups in question are the farmers and the labor unions. The farmers want to sell livestock for high prices. The unions and consumers in general want to buy meat for low prices. So the Government went very easy in imposing ceilings on livestock. The Government's assumption seems to have been--and still to be--that, to keep going even at present production costs, packers had to have help out of the general funds of the United States. Where, then are the packers or the prospective Government seizers to find the funds with which to pay the new wage scales demanded by the unions? Are the Government subsidies to be increased?

All in all, the lot of the prospective Government managers and fact-finders in the packing industry does not promise to be a very happy one. For none of the economic facts that made the rightful owners and managers of the industry leary of the union demands will have been altered by the fact of Government seizure.

(The newspapers and magazines from which these agricultural items are taken are on file in Press Service, Room 411-A. Phone Gene Harrison at 6212.)

From The New York Times, Jan. 29 -

MEAT FLOW BEGINS AS MEN GO BACK TO PACKING HOUSES-Chicago-Two hundred and sixty thousand workers started their treks to jobs today in the 134 plants of nineteen packers, which were seized throughout the country by the Government on Saturday.

Gayle G. Armstrong, Department of Agriculture representative in charge of Government operations of the seized plants, reported that plant facilities were proceeding "quite smoothly," but added that it would take several days to "get everything back to normal." He repeated warnings to livestock shippers that they should "continue a close check with their agents in order to avoid glutting markets and getting ahead of yard and plant capacities."

Packing house officials expect slaughtering operations to be normal by Wednesday, if livestock arrives as expected. After that, distribution of fresh meat into retail channels is expected to increase daily and reach normal levels by the end of the week.

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SUGAR BLACK MART LINKED TO 7 HERE--A Federal grand jury named seven persons and two corporations yesterday in nine indictments growing out of the alleged diversion of 1,043,000 pounds of sugar into the black market for the manufacture of soft drinks.

The black market began, according to the indictments, with the filing of a false statement to the Office of Price Administration by an Ellenville, N.Y., soft-drink manufacturer. Its ramifications included, the indictments charge, the bribing of an OPA official by a former corporation counsel of Kingston, the filing of additional false statements to the War Production Board and illegal deliveries of sugar to soft-drink plants in New Rochelle and Troy.

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HOARDING OF SUITS LAID TO CLOTHIERS-Baltimore-Although the shortage in men's clothing is "acute," a survey indicates that "thousands of suits" are being held in manufacturers' warehouses, The Evening Sun said today.

Reporting on the results of a survey of conditions in three cities, The Evening Sun said:

"In the midst of this clothing crisis, thousands of suits that would partly relieve the shortage are reported to be stacked in manufacturers' warehouses in Baltimore, Philadelphia and New York--hoarded in the hope that higher prices will result from a continued shortage."

"Estimates of the total number of suits withheld range from 400,000 to 750,000."

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ASK YEAR'S EXTENSION OF SUGAR AGREEMENT-Washington-A proposed treaty extending the international sugar agreement for one year from Aug. 31, 1945, was made public in the Senate today.

The agreement to extend the terms of the 1937 treaty was signed in London by representatives of the United States and seventeen other combines.

Under its terms, the export quotas remain suspended and the signatories declare that a revision of the original agreement "is necessary and should be undertaken as soon as the time appears opportune."

(Turn to page 2 for other items in today's N.Y. Times.)

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From the New York Times, Jan. 29 (Cont.) -

COTTON RIDES MARKET BOOM--Inspired by inflation talk, cotton traders bought futures on the New York Cotton Exchange yesterday in sufficient volume to force prices to the highest levels in twenty-two years, and at or near the best levels of the day at the close, or 32 to 44 points net higher.

All 1946 positions sold above 25 cents a pound. Stock traders were switching their attention to cotton. New Orleans operators were reported to be big buyers in the Southern market, pushing New Orleans at unusual premiums over New York. There was talk of large amounts of capital being thrown into the stock and cotton markets as an inflation hedge.

In cotton circles it was believed that plans were nearing completion for the shipment of low-grade short stapled surplus cotton to Japan and Germany.

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MAY RYE ADVANCES LIMIT-Chicago-May rye soared the permissible limit of 5 cents a bushel for the second straight day today on the Board of Trade, and closed at the top in new ground since July, 1920.

Deferred deliveries were unchanged at ceiling prices and there were no sales in corn or barley futures.

Oats finished unchanged to 1/8 cent a bushel higher, all deliveries, except May, going to a new seasonal high, the upturn in May being checked by ceiling prices.

Fears that an actual scarcity of cash rye will develop before the end of the season, and that the 1946-47 crop and carryover will be below domestic needs, furnished the basis for the buying of May rye, although speculative buying has been attracted to that future, as it is the only one on American exchanges that is not affected by ceiling price regulations. Cash wheat remains wedged against the ceiling. Mills are showing increased anxiety in regard to future supplies, and express fears that the Government will order that they carry not in excess of sixty days' requirements.

A processor was a good buyer of oats futures, but there were liberal offerings of July at the ceiling price, and the latter was not maintained. At one time September was within 3/4 cent of the ceiling.

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TOBACCO HIGH IN BRAZIL--With the recent lifting of export restrictions on Brazilian tobacco, temporarily imposed to insure domestic supplies, the nation again assumes her position as one of the world's leading producers and exporters of this popular product, says the Brazilian Government's trade bulletin.

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LUMBER MEN SEEK RENT CONTROL END--Virtual abandonment of rent control on new housing units as a measure to stimulate private enterprise to greater efforts in more extensive home construction to combat the current crucial housing shortage was proposed yesterday by Roy Wenzlick, president of the St. Louis retail lumber concern bearing his name.

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From The Wall Street Journal, Jan. 29 -

TROUBLES IN MEAT won't end with the return of workers to packinghouses. Retailers on the Atlantic seaboard, with few exceptions, had meat during the brief shutdown. But this emptied the supply pipeline from the packers, and the dealers' own iceboxes, so the coming week-end may see a dearth. It is estimated that 23,000 tons of feed were eaten during the strike by animals that would have been killed under normal packing operations.

After the packinghouse workers get their raise, stockyards employees who tend the animals shipped in will want a corresponding one. They didn't join the strike. The Government can't pretend to be a bystander in a stockyards handlers' pay dispute. Secretary of Agriculture Anderson sets stockyards' fees, and if the handlers get more he will have to raise these charges.

MORE BUTTER may be an indirect result of restored Federal controls on protein feed. Butter makers insist that the feed order, issued last week, sets a precedent for the curbing sales of fluid cream and ice cream. They have renewed their demand on the Department of Agriculture for such action. Creameries first made this proposal when the end of wartime restrictions on cream channeled their raw material away from butter into more profitable uses. The Department then said the butter men would have to take their chances, now the war was over. OPA regulations heighten the butter famine by perpetuating price discrepancies but the Department said in effect that these rules were not its affair.

THAT EGG SURPLUS the Government has been brooding about may not hatch out. Shortage of feed is causing heavy sales of laying hens. Other hens get less protein feed and lay fewer eggs. The Army recalled 70 million pounds of frozen eggs it had declared surplus. Demand continues higher than expected. Thus the predicted 1946 surplus of 20 million cases of eggs, and the predicted loss to the Government of \$200 million to support the price, have nearly faded out of the picture.

TOO MANY POTATOES will perplex the Government again this year. Growers and local dealers in the 37 producing states held 119 million bushels on January 1, from the 425-million bushel 1945 crop. Despite warnings that the early crop, harvested in mid-May, shouldn't be more than 52 million bushels, farmers went 13% over the Department's suggested plantings, and may harvest 60 million. Early potatoes are perishable, so they can't be sent abroad to people who would be glad to get them. Rice stocks on January 1 were extremely low, and some of the excess potatoes may be sold in the big southern rice-consuming areas.

CALIFORNIA COTTON MILLS CO. -- California Cotton Mills Co., which on January 22 voted a ten-for-one stock split, reports a backlog of orders so big it may take a year to catch up. However, the company's plants can operate at only half capacity....

(Turn to page 4 for more items from today's Wall Street Journal)

From The Wall Street Journal, Jan. 29 (Cont.)

FOOD FAIR STORES - Sales of Food Fair Stores, Inc., are estimated to have reached \$60 million in 1945, and its earnings are understood to have put the company in the excess profits tax bracket by more than \$200,000. This would mean a net income of better than \$2.20 a share on the average number of common shares outstanding in 1945. The Food Fair has embarked on a \$3 million property expansion program and has purchased sites for eight additional super markets and two warehouses.

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COCOA TRADE APPROVES BRITISH CONTRACT - The cocoa trade at a general meeting approved with a few minor adjustments the British Cocoa Control Board contract covering the sale of 800,000 bags of West African cocoa to United States importers. It is expected that the contract soon will be concluded formally. It was reported that Brazil had offered an additional 160,000 bags to importers. Agreement has not been reached on the price....Meanwhile the supply situation brightened with the arrival of 88,000 bags of cocoa from Africa.

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NEW ENGLAND GRAIN SITUATION CRITICAL - The grain supply situation in New England and large portions of the east is critical, with dealers complaining they are unable to buy any grains, mill feeds or protein foods.

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From The New York Journal of Commerce, Jan. 29 -

ADMINISTRATION ACTS TO PUSH ACTION ON EXTENSION OF OPA - Washington - Hearings on the extension of price control legislation, with Administration leaders seeking a one-year continuation, are expected to start Feb. 5 before the House Banking and Currency Committee.

Meanwhile, with the cotton bloc threatening to present the biggest single obstacle to OPA extension, there were reports that Senators and Representatives from cotton States might vote for a one-year extension of OPA and then attempt to pass legislation which would require that family labor be considered in the computation of farm product parity.

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TIRE YARN CHOICE HANGS ON PROGRESS - The rubber industry, in making its choice between natural and synthetic tire yarns, will keep abreast of the march of technological progress, spokesman declared yesterday.

A representative of one tire producer said that although his concern is now using high-quality cotton yarns in passenger car tires, conversion to rayon yarns seems inevitable. He pointed out that tire engineers have long been convinced that synthetic yarns are a must in airplane and heavy-duty truck tires and that opinion, all along the line is swinging favorably towards rayon for passenger car tires.

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CANADA TO RENEW UK FOOD CONTRACTS - Virtually all of Canada's food contracts with the United Kingdom, some of which expire this year, are to be renewed and extended as a result of negotiations with the British Ministry of Food, Hon. J. G. Gardner was quoted as saying in the United Kingdom Jan. 24.

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Farm Digest 185-46-4

From The New York Times, Jan. 27 -

REPORT FROM THE NATION-Midwest States-Soil Conservation Spreading Rapidly on Farms-Omaha-Nailing down the top soil will be a major activity in the Midwest during 1946.

That is another way of saying that soil and moisture conservation practices are spreading rapidly through the farm areas of the Missouri River basin. A huge job remains to be done, even though a sizable beginning has been made and many thousands of farm owners have embraced the conservation gospel.

Preserving and rebuilding overworked or marginal farm land is hard work which does not begin to pay off immediately. But residents of the Midwest are realizing in growing numbers that the task is important not only for this region but for the nation. The long-range cash returns, incidentally, are comforting to the far-seeing farmer.

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ANDERSON URGES "EXTRA LICKS" FROM MEAT WORKERS-Washington-Secretary Anderson expressed appreciation today to "all the working groups" for agreeing to return to work in meat packing plants.

"I hope that every employe of the strikebound plants will put in a few extra licks these next few days to help catch up with our commitments to the armed forces and the people in other lands," he said. "The cooperation shown by both labor and management is gratifying and greatly in the public interest.

"The action of all the working groups in returning to their tasks and thereby permitting meat to become available to America and to hungry peoples abroad is deeply appreciated.

"We need meat but we need more to husband our meager grain resources, which were being wasted at the rate of more than 1,000,000 bushels a week by keeping livestock on farms."

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THE LABOR CRISIS-Editorial-A certain number of strikes may be expected in any free economy, but we believe that the record will support the statement that the present labor crisis is in large part Government-created.

When the Pacific War ended, hopes were held out that the nation would return promptly from its war experience to free labor bargaining and a free economy....

The Administration has now been driven by its previous course into its latest and most hazardous step. The fact-finding boards represented an effort to impose a sort of compulsory arbitration on employers, with public opinion, however, as the only enforcement weapon. Now the Government has seized the strike-bound meat-packing houses, and Mr. Truman has implied that the steel industry also may be seized unless it grants the wage terms he has recommended. Under such actions free collective bargaining disappears and Government takes the place of private management. This is the antithesis of that "free operation of our competitive system" which Mr. Truman set as his objective when the war ended.

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From The Chicago Daily Tribune, Jan. 26 -

CATTLE PRICES DROP 25 CENTS ON OPA WARNING--Cattle prices slumped 25 cents a hundred pounds in draggy trade yesterday at the stock yards. Traders attributed the decline to an OPA charge that buyers during the strike had paid above the compliance range for many grades of cattle. A warning, sent to owners of packing plants, said court action would be taken against any plan violating meat ceilings.

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From The Baltimore Sun, Jan. 27 -

END TO MILK SUBSIDY ASKED—If the milk producers were given relief from subsidies and ceiling prices on milk were lifted, there would be an easing of the current milk shortage, Dr. R. W. Shermantine, secretary of the Maryland Co-operative Milk Producers, Inc., said yesterday at a meeting of the organization.

"The consumer can well afford to pay a 2-cent raise in price on a quart of milk," Dr. Shermantine said. "For the good of all concerned it would be better coming directly like that, than from the Treasury of the United States as now is the case."

"With ceiling prices removed and prices passed on to the consumer, the deficit in the milk supply would soon close. The gap between supply and demand would be lessened. At this time, there is nothing from the Government telling the farmer what his future will be in relation to these matters and it's not fair nor is it expected of a farmer with his investment to produce to his best ability without some guarantee for his future planning."

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From The Des Moines Register, Jan. 19 -

PLAN BIG CROP YEAR FOR IOWA—Another year of high production will be sought in Iowa in 1946 as tentative farm production goals proposed a month ago were adopted with only minor changes Friday.

The United States department of agriculture council approved the goals which call for heavy cuts in production of poultry and poultry products and some reduction in soybean acreage.

Otherwise they are about at the same level as during the war.

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From The Commercial Appeal, Jan. 25 -

SPECULATIVE COTTON MARKET SET UP BY THE OPA—How far is up? Recent developments involving the actions and statements of the Office of Price Administration and the Commodity Credit Corporation have made that question one of paramount importance to the cotton industry.

Decision of the OPA to announce minimum price ceilings and the program of the CCC to sell cotton on bids, rather than at a fixed price of 25 points above parity have accentuated the growing shortage of the usable grades of cotton.

Coupled with these factors have been a rapidly accelerating export market and an only slightly diminished domestic consumption. This latter is expected to show improvement during the current month, after falling off somewhat in recent months.

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From Market Bulletin, Jan. 23 -

20 CENTS AN HOUR FOR FARM COTTON WAGES—Twenty cents per pound for cotton means twenty cents per hour on an average for those who produce cotton and pick it. Can anyone justify the proposition that farmers and farm laborers should be limited to 20c an hour while the administration is sponsoring a 65c per hour minimum for industrial workers. No wonder that discharged war workers and returning servicemen will not return to the farms. Another year or two of OPA and there will be no farm crops to argue about.--Tom Linder, Georgia Commissioner of Agriculture.

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(The newspaper and magazines from which these agricultural items are taken are on file in Press Service, Room 411-A. Phone Gene Harrison at 6212.)

From The New York Times, Jan. 30 -

HARVESTER STRIKE MAKES 17,500 IDLE-Chicago-Leaders of the United Farm Equipment and Metal Workers Union (CIO) already conducting a strike of 30,000 against the International Harvester Company, called out 17,500 more members today at the huge plant of the Caterpillar Tractor Company in Peoria, which covers 180 acres and has a weekly payroll of \$1,000,000.

As this action was taken, a Presidential fact-finding panel was opening its investigation into the Harvester wage dispute.

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LIVESTOCK SUPPLY RISES AND MEAT PRODUCTION EXPANDS-Chicago-As Government officials tried to get the packing industry back to normal operations, today, increased livestock receipts again expanded the country's meat production, which was interrupted by the twelve-day strike of 148,000 packinghouse workers.

Coincident with this cheering news for American meat consumers, the leaders of the United Packinghouse Workers, CIO, and of the Amalgamated Meat Cutters and Butcher Workmen, AFL, left for Washington to make final arguments for a wage increase before a special Presidential fact-finding panel on Thursday.

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OPA MEN DENOUNCE OFFICIALS' REMARKS AS INFLATIONARY-Washington-Some officials of the Office of Price Administration expressed alarm today over the "psychological factors contributing to inflation and public acceptance of rising prices.

Attacked from many sides, both within the Government and outside, the agency appeared apprehensive of the effect of such criticism as that of John D. Small, Civilian Production Administrator who declared yesterday that price restrictions were curbing production and that of the clothing industry, which blames the OPA price policies for the hoarding of men's shirts and suits by manufacturers.

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BLAMES OFFICIALS IN SUGAR SHORTAGE-Washington-The Republican Congressional Food Study Committee predicted today that there would be "a seriously worse" shortage of sugar in the next few weeks as a result of "gross negligence and misfeasance" of officials in the Department of Agriculture.

Representative Bartel J. Jonkman of Michigan, chairman of the group, declared in a speech prepared for delivery in the House that the administrators of the sugar program would try to put the blame for the shortage on Congress "unless immediate Congressional action is taken." He said the situation was the consequence of failure by the Department of Agriculture to ask Congress for authority to pay production incentive payments which he said had been promised to producers.

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COTTON SELLS OFF IN ACTIVE TRADING-Following a session of active trading, the cotton futures market on the New York Cotton Exchange closed yesterday 1 to 11 points net lower than on Monday, with near deliveries inclined to lag.
(Turn to page 2 for other items in today's N.Y. Times.)

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From The New York Times, Jan. 30 -

MAY RYE ADVANCES $3 \frac{1}{8}$ c MORE IN DAY-Chicago-May rye on the Board of Trade here continued on the up-grade again today for the fourth straight day, advancing a total of $18 \frac{3}{4}$ cents a bushel from the low price of last Friday to the highest level since July, 1920.

The finish was up $3 \frac{1}{8}$ cents net and unchanged at the ceiling. Wheat, corn, and barley futures also held at the permissible maximums, while the active deliveries of oats were off $\frac{1}{4}$ cent.

Traders placed a bullish construction on a report of the Department of Agriculture issued late yesterday showing a total supply of rye in all positions on Jan. 1 of 14,500,000 bushels, or about 50 per cent of the stock a year ago.

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CAPITAL EXPECTS STEEL BREAK SOON-Washington-Reports that a settlement of the nine-day-old strike of 750,000 steel workers on the basis of $18 \frac{1}{2}$ cents an hour wage increase and a price increase on steel was likely within three or four days were current here today.

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MEAT TRUCK STRIKE IS OFF AT WILSON'S-The city's prospects for getting more meat were brighter yesterday than they have been for some time as one of the latest threats to the replenishing of depleted supplies appeared to be eliminated when truckmen called off their strike against Wilson & Co., one of the three major slaughterhouses affected by a walkout of 200 drivers.

With the Wilson strike called off, it was expected that Swift's and Armour's also would come to terms with the union, thereby barring any tie-up in the delivery of meat from the recently reopened plants. Spokesmen for the United Packinghouse Workers CIO, had warned that its members would honor the truckmen's picket line, which would have cut off the meat supply again.

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UNDERWEAR CRISIS IS BLAMED ON OPA--Continued shortage of yarns for both heavy and light knit underwear and what was described as "dilatory" price policy of the Office of Price Administration in revising the underwear price regulation are responsible for the current underwear scarcity, according to trade sources yesterday. Production in the fourth quarter of 1945 and the current quarter will show losses in both categories, it was predicted, with the mills depending on sales yarn being particularly affected.

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FLOUR MILLERS SEE WHEAT SUBSIDY END-Despite announced policy of government agencies to retain the major portion of the food subsidy program until June 30, and beyond, some flour millers are now operating in the expectation that wheat subsidies will be removed before the June date, it was learned yesterday. The millers, it was disclosed, are convinced that break-through of price ceilings will be permitted and the advances will at least cover the amount of the current subsidy.

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From The New York Journal of Commerce, Jan. 30 -

GROWERS CONCERNED OVER NEW COTTON ACREAGE - New Orleans, La. - As cotton advanced beyond the 25¢ mark for the first time in twenty years, sales increased sharply in the South Central spot markets this past week. The expanded activity was attributed partly to the sales of over a quarter million bales of CCC cotton.

However, with actual quotations for above the CCC ceiling levels more producers were inclined to liquidate at least part of their stock on growing fears that the continued upward swing might bring immediate ceiling action by the OPA.

A popular explanation for the strength in cotton is the widespread belief that inflation sentiment will have further strengthening influence on all commodities before there will be any substantial stumble. At the same time, the consensus looks for little if any increase in acreage in 1946 due to continued labor and machinery difficulties on the farms. This in spite of the fact that practically all of the round lots of better quality cotton has been absorbed and that outlook for filling pentup needs depends almost entirely on the coming crop. Seed is very scarce after the poorest yield during 1945 in many, many years with growing indications that abandonment will be heavier than usual and that the final crop figure will hardly go much above 8,500,000 bales.

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EXPORT INQUIRIES FOR FERTILIZER MATERIALS - Recent inquiries for such scarce articles as ammonium sulphate, sodium nitrate, and urea for shipment abroad by UNRRA have created so much attention in the fertilizer industry that it is now learned that the Government will change its procedure in acquiring these materials by calling for bids on a priority basis.

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MR. SMALL ON PRICE CONTROL - Editorial - Many manufacturers and merchants have pleaded with OPA for more flexibility in price control. They have urged selective price increases to stimulate production of urgently needed consumer goods, and of the materials and parts of which they are made.

John D. Small, the Civilian Production Administrator, is launching a campaign of his own incentive pricing in his December progress report. He represents no pressure group, unless consumers are to be designated as such a group. His job is to secure a speedy increase in the production of consumer goods, both to satisfy consumption needs and to provide additional employment. A plentiful supply of goods would do more to eliminate the inflation threat than any other single development, for prices cannot rise or remain high when consumers find they can buy all they need.

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HARBOR TUG STRIKE MAY HIT SHIPPING - A strike of 2,600 tugboat workers which threatens to tie up shipping in New York harbor and to block oil and coal movements throughout the entire metropolitan area has been called for Monday.

The workers who are members of Local 333 of the United Maritime Division of the International Longshoremen's Association (AFL) operate not only tugboats but self-propelled lighters and oil barges.

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From The Wall Street Journal, Jan. 30 -

THEY KNEW DAIRYING BUT NOT ABOUT AFL - New Canaan, Conn. - On Monday, a small dairy, started four years ago in this community by the three Miller brothers, closed its doors and went out of business.

They reckoned without Local 338 of the International Brotherhood of Teamsters, Chauffeurs, Stableman and Helpers, A. F. L.

The dairy's seven or eight drivers had been called out on strike by the union. The demands were a 28% increase in basic pay and a five-day week which, the Millers figures, would boost their payroll more than 50%.

Their striking drivers represented only a corporal's guard, but the union sent a small battalion of pickets from out of town--about 200 to 250-- to police the dairy. A detachment of 60 Connecticut State troopers came too, to keep order.

The few Miller employes who were not among the pickets decided they had enough. They quit. The Millers, too, decided they were through.

The union had a solution. It proposed, according to William C. Miller, that the brothers sell their business to a larger concern which could meet the union'd demands.

"We will not sell our customers," was Mr. Miller's answer to this proposal in his open letter to the union....

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ADMINISTRATION WILLING TO MODIFY PRICE CONTROLS TO SECURE EXTENSION - Washington - Democratic Leader Barkley indicated an Administration willingness to let go of some of its price control authority in an effort to get a year's extension of that program.

As an example, Sen. Barkley said he thought it possible that price control over clothing could be eliminated.

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WOOL POLICY PREDICTED - Salt Lake City - A long-term Federal policy governing the wool industry and replacing subsidies was predicted by Sen. Joseph C. O'Mahoney (D., Wyo.) in an address to the National Wool Growers' Association.

Dr. Edgar A. Booth, chairman of the International Wool Secretariat in London, estimated world-wide accumulations at 4 billion pounds of which 400 million pounds belong to the United States.

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From The New York Herald Tribune, Jan. 30 -

RIO FACTORY TO PRODUCE FARM TRACTORS FOR BRAZIL - The Brazilian government airplane motor factory at Rio de Janeiro has been authorized to manufacture 10,000 farm tractors for the Ministry of Agriculture, the Brazilian Trade Bureau announced here yesterday. The order is said to be the first of a series to be issued in connection with an extensive farm development in Brazil.

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From The New York Times, Jan. 29

BANKER CAUTIONS RISE IN FARM LAND PRICES--Prices of farm lands in many States are now above the boom levels reached in the farm price boom of 1920, and a distinct inflationary trend is apparent, whose ultimate end is dependent "on how well people remember the bitter lessons of twenty-five years ago," C. W. Bailey, chairman of the agricultural commission of the American Bankers Association and president of the First National Bank of Clarksville, Tenn., said in a statement released yesterday.

The American Bankers Association has been engaged in a program, with the cooperation of 13,000 country banks, to discourage borrowing to speculate in farm lands and to help veterans of the present war by giving them information about the hazards of paying excessive prices for farms.

From the New York Herald Tribune, January 29 -

\$3.55 MILK PRICE SEEN--A price of \$3.55 a hundredweight for milk delivered by producers to New York pool plants during January was forecast yesterday in a monthly estimate of price and production by Dr. C. J. Blanford, administrator of the New York metropolitan milk marketing area.

Dr. Blanford said a United States Department of Agriculture subsidy for feed of 70 cents a hundredweight would raise total yield for 47,000 producers in New York, Pennsylvania, Vermont, Massachusetts, Connecticut and New Jersey to \$4.25 a hundredweight, compared with \$4.20 in January, 1945. He estimated January production at 370,000,000 pounds, a decrease of 10 percent from last January's output, but an increase of 32,000,000 pounds over December, 1945.

From the Baltimore Sun, January 29 -

PROBE COTTON EXPORTS, BANKHEAD PROPOSES--Washington--Senator Bankhead (D., Ala.) proposed today a congressional investigation of the export of cotton cloth and other cotton products.

He said he understood large amounts were being shipped from this country, despite a shortage of many cotton items for consumers.

Bankhead made his proposal in the form of a Senate resolution.

From The Florida Grower for January, 1946

EDITORIAL--DUTY AND REWARD--Farmers will be deeply concerned with the many readjustments that are bound to come during the change from war-time business activities to those of peace-time.

Many producers are demanding a guarantee in the form of a support price for the products of the farm. That is important if they are asked to produce to the limit; but since the situation has changed, we must realize that if a support price is guaranteed they must also be subject to certain limitations. Even our liberal government could not afford to offer a support price with no knowledge as to the size of the production! Thus, if a support price represents a "reward," we may well regard as the accompanying "duty" the acceptance of a reasonable limitation of the crop concerned. We must be realistic about the whole situation. Unlimited production calls for unlimited price fluctuation according to the dictates of the market. An assured price must call for a reasonable limit to production.

From The St. Paul Pioneer Press, Jan. 25 -

CROP DISEASE WAR CALLED ETERNAL--The fight of farmers and scientists against plant and crop diseases will be everlasting--no matter how great advances are made towards combating smut blight, mildew and similar scourges.

This pessimistic warning was given Thursday night by E. C. Stakman, chief of the division of plant pathology and botany at University Farm.

"Even though new crop varieties have been given and have stood up under the most severe disease tests that can be devised," Stakman stated, "there can never be a guarantee that a crop variety will retain its resistance forever. Nature may produce new enemies or new kinds of old enemies to attack it.

"Breeders and pathologists, however, breed more intelligently than nature and thus try to be prepared for new enemies she may spawn. But the price of preparedness is continual research to find out what has happened, what is happening now and what may happen in the future."

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From The News and Observer, Raleigh, N.C., Jan. 28 -

COLLECTIVE FARMING--Editorial--In America from the earliest settlement the goal of agriculture has been for each man who tilled the land to be its owner. In the early days, when there was an abundance of public land, that was easy. In recent years there has come many absentee landlords and large land holdings with an increase of landless tenants and sharecroppers. FSA has helped many to own the land they till. The beginning should be expanded.

Americans do not wish and do not intend to permit the Russian system of collective farming to get root in this country. We have been hearing many conflicting stories about how collective farming works, the general impression being that Russia the lazy man, the non-producer, gets as much as the man who is industrious. Such a system is abhorrent to our ideas and against the Bible declaration: "If a man will not work, neither shall he eat."

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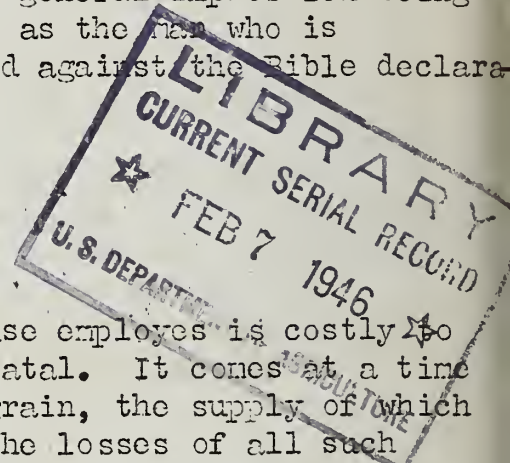
From The Pennsylvania Farmer, Jan. 26 -

A COSTLY STRIKE--Editorial--The strike of packing house employees is costly to our livestock industry and unfair to it, but it is not fatal. It comes at a time when interference with marketing means the use of more grain, the supply of which is not now sufficient. Producers will naturally share the losses of all such efforts, regardless of what the final settlement may be. The sole exception now is the poultry industry, any shortage of other meats turning consumers to poultry and eggs. One thing is clear enough. All of Labor's fine words about its love for Agriculture are denied by its acts. The fact is that Labor cares only for its own interests, and farmers should not be fooled into thinking anything else. Maybe in the end the ambitions and the methods of Labor will create reaction that will be wholesome for all interests, including Labor, which needs a few hard lessons in the ancient school of experience.

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FAO AND AGRICULTURE--Editorial--The discussion of the future service of the FAO leaves us a bit hazy about its probable benefits to our agriculture. Let us hope that FAO can prove that surpluses anywhere can be brought to the underfed anywhere, to the benefit of all hands.

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(The newspapers and magazines from which these agricultural items are taken are on file in Press Service, Room 411-A. Phone Gene Harrison at 6212.)

From the New York Times, Jan. 31 -

HARVESTER UNION REJECTS 17C OFFER-Chicago-Separated in their wage negotiations by 2½ cents, representatives of the International Harvester Company and leaders of the United Farm Equipment & Metal Workers of America, CIO, will return tomorrow morning to the Federal Fact Finding Panel which twice has postponed its hearings to permit further negotiations.

Spokesmen for the company said today that an offer of a straight 17 cents an hour increase had been rejected by the union as "not satisfactory." This increase would have brought the average hourly wage for the 30,000 employes now on strike in ten Harvester plants from \$1.14 to \$1.30, company officials said.

They reported the union had countered with a demand for 19½ cents, but that the company representatives had repeated the 17 cent offer was final.

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OPA CUTS EGG PRICES 1 TO 2 CENTS A DOZEN-A ceiling price reduction of 1 to 2 cents a dozen for eggs, effective today in New York City, was announced yesterday by Leo F. Gentner, regional administrator of the Office of Price Administration. The OPA community ceiling price for eggs also applies to eastern New York State, eastern Maryland and all of Delaware and New Jersey.

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PRICES AND PRODUCTION-Editorial-"There has been a growing feeling throughout the country that price increases would be the worst thing that could happen. To my mind lack of production is the worst. In view of the immediate severe inflationary pressures, price controls must be maintained. Such controls, however, must be used realistically and flexibly to bring about the most rapid possible increase in production to meet reconversion requirements."

This statement was not made by a business man intent upon plunging the economy into a ruinous inflation. It was made by John D. Small, head of the Civilian Production Administration. Mr. Small estimated that if a policy of liberalizing price controls were adopted, prices to consumers would rise between 5 and 10 percent.

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COTTON QUOTATIONS MOVE DOWN AGAIN--The cotton futures market on the New York Cotton Exchange eased again yesterday and closed with net losses of 19 to 24 points influenced by large hedging operations presumably against the release of cotton by the Commodity Credit Corporation

The market opened with losses of 4 to 11 points and continued downward during the day. The sales of Government cotton, it was said, are checking the advance in the cotton market in that during February the CCC selling price will be 23.80 cents a pound (parity 21.95 cents plus 160 points, the premium of 15/16 inch over 7/8 inch staple, plus 25 points allowed for a possible change in parity) for 15/16 middling at Memphis, whereas the futures and spot markets are 125 to 150 points over this price.

(Turn to page 2 for other items in today's N.Y. Times.)

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From The New York Times, Cont., Jan. 31 -

RYE CLOSES DOWN FROM 25-YEAR TOP-Chicago-May rye lost 5 cents a bushel net, the limit for one day, on the Board of Trade today. This was 7 1/8 cents under its early top, when sales were made at a new high for over twenty-five years. The break was attributed by brokers to an overbought pit condition rather than to any change in conditions.

Active deliveries of oats lost 7/8 to 2 1/2 cents, the latter on December. Other grain futures finished unchanged at ceiling prices. There are only four active deliveries in the five major grains on the Exchange.

May rye has advanced more than 60 cents a bushel from the low price early in November.

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From The New York Herald Tribune, Jan. 31 -

LONGSHORE MEN SAY THEY WOULD AID TUG STRIKE-A second longshoremen's strike in four months threatened yesterday to paralyze the city's waterfront as tugboat and motor barge crewmen went ahead with plans to call at strike at 12:01 a.m. Monday that would tie up harbor traffic from Sandy Hook, N.J., to New Haven, Conn.

Joseph P. Ryan, president of the International Longshoremen's Association announced that members of his union will refuse to work any ships except troopships, if they are berthed without tugs.

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2 PACKERS HERE STILL TIED UP BY DRIVERS' STRIKE-Despite continued Federal conciliation efforts yesterday, deliveries of two of the city's major meat packers were still blocked last night by a strike of 160 members of Local 816, International Brotherhood of Teamsters and Chauffeurs, an American Federal of Labor affiliate.

The city's meat prospects--hit first by the short-lived walk-out last week of packing house workers and then on Monday by the teamsters strike--appeared, nevertheless, slightly improved yesterday.

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GROCERS TOLD TO CUT COSTS TO MEET NEW COMPETITION-Grocers should not be misled by the current ease of selling, but should take steps to reduce overhead and distribution costs now in order to meet the threat of increase price competition later in the year resulting from a possible surplus of food products, J. Frank Grimes, president of the Independent Grocers' Alliance, said yesterday at a press interview at the opening of the group's three-day convention.

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From The Baltimore Sun, Jan. 31 -

INVESTIGATION OF PRICES FOR CATTLE INDICATED-Washington-A source close to Clinton P. Anderson, Secretary of Agriculture, said today the Government is considering an investigation of the prices paid for cattle moving to stockyards since the reopening of strike-bound meat plants. Buyers other than the Government-operated plants are purchasing a large portion of the cattle at prices above ceiling levels, it is reported. As a consequence, the larger packing plants are unable to obtain enough cattle to meet Government requirements of beef. Reports indicate that the cattle is being bought for "black market slaughter."

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From The Wall Street Journal, Jan. 31 -

FARM EQUIPMENT OUTPUT has been affected so extensively by strikes that the resulting shortages of tractors and implements may cut 1946 agricultural production. More than 36,000 workers in the industry have left their jobs, halting operations at plants which normally manufacture about 40% of the nation's farm equipment. In addition, other producers are feeling the effects of the steel strike and labor troubles at factories of their suppliers. Yesterday, negotiations between the CIO United Farm Equipment Workers Union and the strikebound International Harvester Co. broke down when the union maintained its demand for a wage increase of 19-1/2 cents an hour and the company said a 17-cent rise was the highest it could grant.

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PRICE CONTROL WEAKENS - Editorial - Price control is now so visibly hampering the production and distribution of badly needed goods that its own partisans are weakening in their defense of it. Civilian Production Administrator Small says "lack of production" is worse than price increases would be. Loyalists in OPA are reported to have answered this by deploring the "psychological" effect of such talk. Senator Barkley, Administration leader in the Senate, tells the Associated Press that some modifications in OPA authority are likely to be made when--as he expects--Congress extends control beyond June 30 next.

It is to be hoped that no modifications of the price control law which its misguided friends may offer will persuade Congress to extend its life. A much better alternative would be to make an end of it at once.

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THE ROAD TO COLLECTIVISM - Editorial - There is more than local interest in the story of the Miller brothers, of New Canaan, Connecticut, related by Sydney B. Self in The Wall Street Journal Wednesday. Briefly, these brothers started a small dairy some four years ago, putting all their savings into the venture. They specialized in milk rich in butterfat, for which there was good demand, and their business grew to a volume of some \$1,000 weekly sales. As a result of demands of the Brotherhood of Teamsters, Chauffeurs, Stablemen and Helpers, local 338, for wage increases and shorter working hours estimated to increase their labor costs about 50 percent.....

There is an important implication in this story. Apparently recognizing that the Millers could not meet their demands and survive, the union suggested that they sell out to a larger company that could. This the brothers courageously refused to do.

In refusing to sell the Millers were not only fighting for their own principles but for the continuation of the American plan for living. The surest and quickest road to collectivism is the forced absorption of small business by large. It leads to monopoly and monopoly is the first step along the road to state management of industry. Socialists long have recognized this and have welcomed monopolies because they are easily taken over by the state.

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WEEK'S BUTTER OUTPUT OFF 1% - Chicago - Creamery butter production for the week ending January 24 is estimated at 16.1 million pounds, off 1% from the preceding week, the Department of Agriculture reports. Churnings have declined for two successive weeks following the sharply increased production after the holidays. Compared with the corresponding week in January 1945, production was 27% lower.

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(Turn to page 4 for more items from today's Wall Street Journal)

Farm Digest 205-46-3

From The Wall Street Journal, Jan. 31 (Cont.) -

BEET SUGAR DELIVERIES DOWN IN 1945 - U. S. Beet sugar deliveries during 1945 amounted to 19,468,936 bags, against 21,624,811 bags in 1944, down 2,155,875 bags, or almost 10%, according to the United States Beet Sugar Association.

A subnormal beet crop, and rationing restrictions, accounted for the decline in beet distribution to the lowest level since 1929, when deliveries amounted to 19,073,035 bags and the industry was geared to a lower scale of production.

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FROEDTERT GRAIN AND MALTING CO., Inc., - All plants of the Froedtert Grain & Malting Co., the shares of which are listed on the New York Club Exchange, are understood to be running at capacity. Output already has been sold until well into 1947. Froedtert operates two plants in Milwaukee, a grain elevator in Minneapolis and plants in Winona, Minn., and in Detroit. It is erecting a new malting plant in Milwaukee, which, it is said, is the largest single construction project now under way in Wisconsin. If domestic and foreign demand for malt continues....the company contemplates building another malting plant in Milwaukee.

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From The New York Journal of Commerce, Jan. 31 -

LUMBER CEILING RISE DEMANDED - The lumber industry flatly asserted that OPA must lift price ceilings for lumber if the acute shortage is to be ended. The closing session of the annual convention of the Northeastern Retail Lumbermen's Association passed a resolution that "unanimously agreed that the responsibility for the lack of production be laid squarely on the doorsteps of OPA". The only alternative to higher price ceilings is the abolition of price controls on lumber, the convention maintained.

Harold E. Stassen, former Governor of Minnesota also called for incentive pricing for lumber at the final session of the convention.

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FOOD IMPORT CURB RELAXATION URGED - Elimination of import controls over all important foods not connected with critical supply problems was urged here yesterday by the National Council of American Importers, Inc.

William H. Schille, president of the import organization, in a letter to Secretary of Agriculture Anderson, pointed out that wartime allocations and restrictions are still being imposed on luxury and other non-essential food items. He urged Mr. Anderson to recommend to the Combined Food Board immediate elimination from international allocation of such foods....

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CUBA LOADS FIRST 1946 SUGAR CARGO - First loading of new crop 1946 Cuba sugar got underway yesterday, assuring arrival of the first cargo in the United States in another week. The Cuban new crop sugar signalizes the beginning of the end of the acute stage of the sugar shortage in the United States, although it will be a month or more before the raws arrive in sufficient volume to make even a short impression on prevailing shortage conditions.

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From The Baltimore Sun, Jan. 30 -

MEN'S CLOTHING AND THE PRICE CONTROL NIGHTMARE - Editorial - The survey of the shortage of men's clothing and the reasons for it, which The Evening Sun published in two installments on Monday and Tuesday, brought out a fact already familiar to everyone in the men's clothing industry--namely, that certain manufacturers are "hoarding" suits, in the hope of relaxed price restrictions, at a time when millions of returning veterans need them.

Yet, when set beside the accumulated demand, which men in the industry estimate at forty million suits, the quantities hoarded are relatively small. The survey brought out other points that are even more important than this evidence of sharp practice.

The first of these is the demonstration that price control is as badly needed now as it was during the war. The inflationary pressure provided by the demand for forty million suits is tremendous. There is a similar accumulation of pressure in most other industries. Price control is the only means of resisting it until, presently, supply begins to catch up with demand.

The second point brought out is the fearful difficulty involved in devising methods of price control that really do what they are intended to.

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From The Milwaukee Journal, Jan. 28 -

AFL ON PRICE CONTROLS - Editorial - The executive council of the American Federation of Labor has declared for continuation of our price control machinery until June, 1947. Describing controls as a necessary evil and an evil not to be tolerated in normal times, the AFL says: "The moment production of any particular article comes within a safe range of meeting the demand for it, the OPA should remove its artificial ceilings and allow natural competitive forces to bring the selling price down to its natural level."

That statement well expresses the sentiments of all who, while believing wholeheartedly in a free economy, are also aware of the tremendous inflationary threat in our present disjointed situation.

The demand for goods is today so high and the reserve purchasing power of the country so great that it would be folly to drop controls unsystematically. To do so would inevitably result in an inflation so severe that our whole economy would be endangered, not merely for months but for years.

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From The St. Paul Pioneer Press, Jan. 28 -

INVITATION FOR TROUBLE - Editorial - A move to deflate farm prices is clearly getting under way, just as it did this stage of the post-war period of the 1920's.

The impulse for that move does not come alone from Washington. Along with the trend of policy-making in the national capital, there are also moves in the Midwest to prepare the way for another postwar deflation.

And certain segments of the midwestern press, which in the past have fought against adequate price protection for agriculture, again are playing their part in conditioning the public for a farm price deflation soon. In that segment of the press are leading evening and morning editions of the Minneapolis newspaper. The latest of a series of arguments clearing the way for deflationary steps is an editorial in the principal evening newspaper there.. The editorial, called "Prices on Stilts", comes out with the charge that the government "put agriculture prices up on stilts" and says not a word to acknowledge that the government also put farm prices under ceilings....

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From The Chicago Daily Tribune, Jan. 29 -

MEAT STRIKERS BACK; 200,000 LOSE 15 MILLION - Two hundred thousand packing house workers went back to work yesterday after suffering an estimated 10 day loss of more than 15 million dollars in wages in their strike. Fifty thousand of returned strikers face an estimated additional loss of almost 1-1/2 million dollars before their plants resume normal operations.

FARMERS STAGE PROTEST; FEAR HOG PRICE CUT - Sioux City, Ia. - Seventy-five farmers paraded thru downtown Sioux City this afternoon in protest against what they called "any possible or probable reduction in live stock prices" as a means of obtaining higher wages for CIO packing house workers.

Most of the trucks and cars were from Plymouth county, where the demonstration originated.

A. E. Spink of Kingsley, Ia., an organizer of the parade, said farmers--especially hog raisers--are worried that final settlement of the packing house wage dispute "will be paid for by the farmers."

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From The Davenport Democrat and Leader, Jan. 28 -

VANISHING WHEAT - Editorial - Announcement that 60,000,000 more bushels of wheat have disappeared from the farms since July 1 than in the corresponding period a year ago has led to an estimate that the carryover of wheat in the United States next June 30 may drop below 200,000,000 bushels. For many years 200,000,000 bushels has not been regarded as a safe reserve.

If the wheat stock drops below that figure, the nation will be dependent on the new crop as it has not been for two decades.

Prospects for this year's crop are still encouraging. Europe will continue to look to America for wheat donations. The 1946 demand for American wheat will be ample, however well the crop turns out. And if it should happen to turn out badly, America's official prodigality may be loudly attacked by American taxpayers.

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From The Watertown Daily Times, Jan. 28 -

A REAL MILK PROBE OR ANOTHER FUMBLE? - Editorial - The Ives commission announces that it proposes to hold in the Spring a full investigation of the 'spread' between the milk price received by the producer and that paid by the consumer.

Senator Fred Young of Lowville made a plea for a real investigation and expressed the hope that this inquiry would not end at Cornell where previous inquiries had. It is the intention of the Ives commission to go fully and exhaustively into this price 'spread.' It remains to be seen whether or not this will be done. Northern New York producers have been deceived so many times before that it is not surprising that they should be skeptical now. The one weakness in the Dewey program has been the manner in which the milk issue has been handled. It is not too late to remedy this. More attention to the producers and less to Cornell and its allies is the answer.

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